DOCUMENT RESUME

ED 237 204 PS 013 947

AUTHOR Anderson, Kristin
TITLE Corporate Initiatives for Working Parents in New York City: A Ten-Industry Review.
INSTITUTION Center for Public Advocacy Research, New York, NY.
SPONS AGENCY Greater New York Fund, N.Y.; New York Community Trust, N.Y.; New York State Dept. of Social Services, Albany.
PUB DATE Aug 83
NOTE 139p.
AVAILABLE FROM Center for Public Advocacy Research, Inc., 12 West 37th Street, New York, NY 10018 ($10.00).
PUB TYPE Reports - Research/Technical (143)

EDRS PRICE MF01/PC06 Plus Postage.
DESCRIPTORS Business Responsibility; Early Childhood Education; *Employed Parents; *Employer Attitudes; *Employer Supported Day Care; Flexible Working Hours; Fringe Benefits; Innovation; Referral; Surveys
IDENTIFIERS *New York (New York)

ABSTRACT

A study was conducted to ascertain from employers how they experience the economic and social pressures that lead some companies to provide child care assistance. Eighty corporations and five unions, having from below 250 to over 3,000 employees, were selected to report on prevailing corporate attitudes and practices concerning employee child care needs. Companies were asked whether or not they had, or planned to have, the following types of programs: (1) on-site or near-site child care centers, (2) child care subsidies or vouchers, (3) flexible benefit plans, (4) information and referral services, (5) employee seminars, (6) flexitime, and (7) flexiplace. Companies or unions were categorized for each of the program options according to four levels of interest: no current interest, low-level interest, active interest, or program in operation. Several companies had more than one program in operation. Over half of the companies had no current program and no current interest in initiating programs of the types enumerated by points 1 through 5. A total of 21 percent of the companies had one program in operation, and over half of the companies were actively considering at least one option. (Conclusions and recommendations are given for the development of numerous projects, including child care employee needs assessments, referral services, benefit plans, funding mechanisms, corporate contributions, and public policy.) (BJD)

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CORPORATE INITIATIVES FOR WORKING PARENTS IN NEW YORK CITY:

A Ten-Industry Review

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Project Director

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CORPORATE INITIATIVES FOR WORKING PARENTS IN NEW YORK CITY

A TEN-INDUSTRY REVIEW

by

KRISTIN ANDERSON
Project Director

A Report of the Employer-Supported Child Care Project
of the Center for Public Advocacy Research, Inc.,
New York City

In cooperation with the New York Chamber of Commerce
and Industry

Funding Provided by the New York Community Trust.
Additional funding from the New York State Department
of Social Services and the Greater New York Fund.

August, 1983

PS 013947

Copies of this report may be obtained from the Center for Public Advocacy Research, Inc., 12 West 37th Street, New York, NY 10018
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ACKNOWLEDGEMENTS

This study began with the shared vision of Megan McLaughlin, Program Officer at the New York Community Trust and Ronald Soloway, Director of the Center for Public Advocacy Research, Inc. They recognized that child care planning and the development of child care services in New York City could not proceed effectively without more information and contact between the corporate sector and the public and private child care delivery systems. The Center for Public Advocacy Research, which is a nonprofit research organization committed to identifying important public policy issues, conducting research as a basis for informed action, and advocating for sound policy development on issues affecting the residents of New York City, subsequently developed a two-stage project entitled, "Exploring Corporate Initiatives for Working Parents in New York City." I was asked to direct both stages of the project, beginning with this survey of prevailing corporate attitudes and practices. The project has received the financial support of the New York Community Trust, the New York State Department of Social Services and the Greater New York Fund.

The New York Chamber of Commerce and Industry became a co-sponsor of the study because it recognized the contribution the project could make to its own ability to provide guidance and leadership on this topic to its constituency. Its support has been responsible in large part for the cooperation the project has received from the business community.

Throughout this first stage, the project also has received the full support of the city's child care professionals. Continuing assistance and consultation have been provided by the staff of the New York City

Agency for Child Development -- principally Doby Flowers, Paul Larsen, Irene Greim, Heidi Ferrar and Jose Perez -- all of whom are seriously committed to planning for the future of publicly-supported child care in the city.

Nancy Kolben, Sandy Socolar, Antony Ward and Annice Probst of the Pre-School Association contributed their experience and understanding of the issues from the community perspective.

Dana Friedman generously provided access to her files and her vast reservoir of experience and knowledge of the subject, making suggestions and adding to the depth of the study throughout its development.

My colleagues at the Center for Public Advocacy Research -- Ronald Soloway, Tracy Huling, Ervin Whitaker, Ruth Friedman, Chris Meyer and Leslie Ancrum -- have provided an atmosphere of warm support and professional dedication at every turn. Professional writers, Miriam Lacob and Mary Logue, voluntarily assisted with the editing. I thank each of them for their generosity.

The employers and corporate officials who participated in the study were open and reflective, taking care to give the issue and the study their concentration and imagination.

It has been a pleasure to direct this stage of the Project on Corporate Initiatives for Working Parents and I look forward to the next stage of public and private dialogue. I hope this study fulfills the visions that have inspired it and makes a positive and effective contribution to improving the child care services available to New York City's working parents.

Kristin Anderson
August, 1983

CORPORATE INITIATIVES FOR WORKING PARENTS IN NEW YORK CITY

A TEN-INDUSTRY REVIEW

CHAPTER 1: INTRODUCTION

The rapidly increasing national need for child care by working parents all across the country has been cited in numerous studies and reports -- as has the equally dramatic decline in federal day care subsidies for low-income families.[1] There is also documentation of a growing number of family support programs initiated by some employers in response to these circumstances, as well as in furtherance of business interests.[2]

This is a report of how businesses in New York City are responding to the child care needs of their employees. The attitudes and practices of 80 city employers and five unions were surveyed by the Center for Public Advocacy Research between April and October, 1982. The results of these interviews have been collected and analyzed within ten industry groups as well as in the aggregate, to suggest the general environment for corporate initiatives on behalf of working parents and their children in New York City.

As a society, we can no longer ignore the fact that both men and women are spending larger portions of their adult life working outside their homes and, consequently, are not able to personally provide full-time care for their children. Between 1940 and 1980 the labor force participation rate of mothers increased more than ten times, reflecting the most significant change in the labor force this country has ever experienced.[3] In 1980, 45% of New York City's families with children under 18 had mothers who were working outside the home. There are approximately 595,000 children in New York City with working

mothers -- about 223,000 of these are children under six years old.[4]

There is convincing evidence that good quality, affordable child care benefits the community as a whole. Reliable child care makes the difference between welfare and work for many poor city families.[5] It can also lower absenteeism among employees, reduce job changes and increase parents' effectiveness while they are at work.[6] Good child care prepares young children for future learning and improves their adaptability and socialization.[7] After-school care available to older children makes the difference between having a place to go after school or going home to an empty apartment.[8]

There are three major forms of child care that New York City parents can utilize in the absence of an in-home parent or relative:

* Private day care programs. These are licensed group day care services run by either profit or nonprofit organizations. Included in this category are group child care centers, after-school programs for children 6-12, nursery schools and part-day programs. Parents can receive a Federal Income Tax Credit for their expenditures on private day care that ranges from $480 to $1,440 per year, depending on the family's income and the number of children. There is also a New York State credit that is 20% of the federal credit.

* Publicly-subsidized child care programs. There are 346 group child care programs and 67 family day care programs supervised by the city Agency for Child Development (Human Resources Administration). These programs serve approximately 40,000 infants, pre-schoolers and school-age children at one time and are available to New York City's working families with incomes below 115% of the state median

income. Rates are subsidized by a mixture of federal, state and local government funds. Head Start Programs, providing primarily half-day care, are also available to the children of 9,000 families with incomes below the poverty level.[9]

* Informal child care arrangements with baby sitters, neighbors or family day care providers. The majority of New York City's children of working parents are in such arrangements for all or part of each day. Rates are difficult to specify because this "system" tends to operate as part of the underground economy -- the only way it is economically possible for some women to work and afford the cost of child care.

The demand for group child care programs in New York City far exceeds the supply. For children of all ages with working parents, there are only 900 child care centers and 2,100 family day care homes (a total of 3,000 programs) currently licensed to serve approximately 80,000 children.[10] Of this group, 38,000 children are served in publicly-subsidized programs and 42,000 in private programs. The Human Resources Administration estimates that there are 123,000 children under six from low-income families who meet the social and economic criteria for public subsidy, but cannot be served by the present programs because they have room for only 28,000 pre-school children.

The situation is even more acute for infant-care services. There are only 43 private group care programs for infants and toddlers. The publicly-subsidized system can serve less than 5% of the infants whose parents qualify for services and the Agency for Child Development has given the expansion of infant programs the highest priority for the coming year.[11]

There are 402 licensed after-school and day camp programs for children over six; publicly-subsidized after-school care is available for approximately 10,000 children.

The cost of child care also has a significant impact on the lives of working parents. Those parents whose children are in the city's publicly-subsidized system pay between nothing and $75 per week for child care that actually costs the city about $85 per child per week to provide. The difference is made up from federal Title XX funds and state and city allocations. The average family using this system pays $13 per week or $52 per month toward subsidized child care. Ninety percent of the children in subsidized programs come from families with a combined gross income of less than $13,500.[12] However, since only 20% of the families that qualify are actually given spaces, the other 80% of families in this income range must seek some form -- or forms -- of child care at comparable cost; virtually an impossibility, even in the informal sector.

Fees in privately-run child care centers and nursery schools currently average $70 to $120 per week ($280 to $475 per month) for full-day group care for pre-schoolers; and $112 to $187 per week ($450 to $750 per month) for full-day infant group care.

It is difficult to know how much parents pay for child care in home settings. It costs about $790 per month to hire a private babysitter paid the minimum wage and available from 8 A.M to 6 P.M.; but some parents are able to work out barter arrangements with relatives in which no funds are actually exchanged.[13] However, these arrangements are becoming more and more rare, given the increasing number of women who are working and the changes in family patterns. According to the Pre-School Association, rates of family day care providers outside of the child's own home range from $35 to $75 per week, with an average of $45 to $50 (or $180 to $200 per month).

Regulations of the State Department of Education and the New York City Department of Health have a direct impact on the cost of private child care in New York City (excluding private babysitters). These regulations specify, among other things, the staff child ratio or the number of children of different ages that one person can be responsible for in a licensed child care center.[14] Since about 85% of the costs of running a center are staff-related, these regulations play a large part in determining the fees the centers have to charge to remain economically sound. The professionals who care for children in group settings say, unequivocally, that these regulations are basic to providing children with adequate supervision and safety; at the same time, staff salaries in private child care centers are exceedingly low, given the amount of training required and the demands of the job. Even so, the resulting cost of group child care is beyond the means of low-income and most middle-income parents, and is especially burdensome for single parents, whose average income is under $9,000 and rarely exceeds $30,000 per year.[15]

Because of the short supply of group programs and their attendant cost, many parents end up putting together a complicated package of arrangements for their children: a typical working parent may leave a child with a neighbor until the child's pre-school program begins and another neighbor will pick the child up from the program and take care of the child until the parent gets home again at the end of the day. When these arrangements fall through parents are forced to leave their children unsupervised for part of the day. This juggling of children's care causes problems for a parent who is supposed to be working, but in reality is trying to keep tabs on all the various arrangements.[16]

Against this background of social and economic need, nearly 600 employers and unions across the country -- including hospitals -- have begun to provide employees with a variety of forms of child care assistance ranging from on-site centers to

restructured benefits packages.[17] The reasons companies give for initiating these services are primarily business-related:

* companies want to attract workers to new locations and find that two-wage earner families need to know that child care services are available in order to move;

* companies do not want to lose trained and valued employees because of child care problems;

* certain fields want to make it easier for female employees to come back to work after childbirth but the new mothers need assistance in finding and paying for child care;

* employees indicate that the lack of reliable child care is a major cause of lateness, absenteeism and low productivity; and

* companies can substantially improve their image with employees and the public by providing child care assistance.

In examining these reasons, it becomes clear that there is a commonality of social, business and personal interest in the problem of providing child care for working parents. This mutuality of interest has led policy makers and child care providers in New York City and State to speculate on the impact employer assistance might have on their own policies and programs. If the city's employers are going to help employees with child care, how and when will this involvement manifest itself? What forms is it likely to take in this city and how will this affect the overall supply of affordable child care services here? Will employer-supported child care become a benefit for only a small category of professional workers, or will it also have a significant impact on the supply of affordable, quality child care for less skilled low- and middle-income workers?

The purpose of the present study has been to learn directly from New York's employers how they experience the economic and social pressures that are leading some companies to provide child care assistance and to invite their informed speculation on their company's future responses.

Specifically, the questions of this investigation have been:

1) To what extent are corporations and unions in New York now providing programs which assist working parents in finding or paying for adequate child care?
2) Are there barriers which have kept corporations and unions from providing more programs?
3) What do employers think are the most significant incentives that would encourage corporations and unions to provide more programs?
4) What are the strategies for employers, unions, governments, child care providers, employees and others who want to increase corporate and union initiatives for working parents in New York City?

The information collected as a result of this investigation should contribute to the formulation of sound public policy in the area of child care services. Federal funds for day care have been reduced as part of the new federal policies which emphasize public/private partnerships and there are major reallocations of funds occurring between federal, state and city agencies. If we learn through this study that employers are going to initiate child care subsidies or support programs because it is in their interest to do so, policy makers at all levels, as well as unions and child care professionals, will be in a better position to adjust their own programs accordingly. An understanding of how city employers weigh the value of providing child care assistance for their employees, and what actions they are likely to take, has become essential information to those responsible for planning and providing the city's child care services.

In those areas in which government and business have mutual goals and objectives, the possibility exists to develop

joint programs which share costs and improve services. It is another purpose of this report to illuminate those areas and set the stage for more effective public/private partnerships in the design and delivery of New York City's child care services.

Finally, as more and more businesses begin to appreciate the needs of working parents and how child care affects employees' work patterns, they want to know how other businesses are approaching the problem. This report is intended to serve businesses continuing need for information in this area.

The eighty corporations selected for the study are broadly representative of New York City's employer population, with participation from each of the boroughs, major industry types and different sized firms; as are the five unions. A picture of the sample according to each selected variable is presented below:

1. Location. The number of corporations contacted in each borough was targeted by the percentage of employers located there:

	Percentage of Total Employers	Number Interviewed	Percentage of those Interviewed
Manhattan	60%	56	70%
Brooklyn	16%	10	13%
Queens	14%	9	11%
Bronx	8%	4	5%
Staten Island	2%	1	1%

Because some companies initially selected were not willing to participate or were otherwise not suitable, the percentage of companies actually interviewed is somewhat above the target for Manhattan and below the goals for the other boroughs. This may mean that conclusions are weighted slightly more toward the concerns and issues of Manhattan-based corporations.

2. Size. New York City is characterized by large corporations and major corporate headquarters -- more so than any other city in the world. Because larger corporations tend to be the pioneers and since we were looking for the trends which are often established by the larger employers, we decided to create four categories of business size and to divide the interviews as follows:

	Goal	Number Interviewed
1. Small (below 250 employees))	10	11
2. Medium (250-1,000)	20	16
3. Large (1,000-3,000)	20	22
4. Extra-large (over 3,000)	30	31

3. Selected Industry Groups. With the assistance of the New York Chamber of Commerce and Industry, we identified ten major industry groups, plus unions, and interviewed a sample of each:

1. Insurance		5
2. Banking		11
3. Finance and securities		5
4. Communications, advertising, research and publishing		12
5. Retail and wholesale sales, food and hotel services		9
6. Health and hospitals		8
7. Utilities		3
8. Manufacturing		10
9. Education and nonprofit		7
10. Miscellaneous		10
	Subtotal	80
11. Unions		5
	Total	85

In each industry group we interviewed a sufficient sample to feel confident that we fully understood the operating barriers and incentives pertinent to that set of industries.

The study was designed as an attitudinal survey based on personal interviews with senior management in the companies -- vice presidents for human resources, personnel managers, and benefits managers. Over 150 letters were sent to obtain 80 interviews with as many companies. Only 20 corporations refused outright to participate, and from the others, a representative sample was attempted.

The questionnaire used in this study was modeled on the methodology of a similar study by Dr. Dana Friedman for the Carnegie Corporation of New York, Encouraging Employer Support to Working Parents: Community Strategies for Change.[18] Dr. Friedman interviewed corporate and community officials in Boston, Minneapolis, San Francisco and Houston.

In the following chapters we have summarized the results of the New York City interviews according to overall attitudes and given general responses to different options and alternatives as well as specific responses by the various industries. We have identified by name only those companies that have a program in operation. In order to obtain candid responses, we agreed not to identify companies or officers by name when reporting their attitudes and predictions.

Chapter Two provides a general overview of the current attitudes and practices of New York City employers and unions regarding child care assistance to working parents. It also describes the major barriers and incentives to these programs as employers now view them. Chapter Three provides more detailed analysis of the barriers and incentives within the ten different industry groups which were studied. Chapter Three also identifies the significant differences among industries that affect the types of responses they might make and the timetables they are likely to follow. Chapter Four presents conclusions and recommendations. They are offered in the interest of facilitating an orderly process of experimentation, education and policy formation within both the public and private sectors.

Footnotes - Chapter 1

[1]See:

Judith Golub, Childcare and Working Parents, Jobs in the 1980's and 1990's Project, from an unpublished draft in progress, Public Agenda Foundation, 6 East 39th Street, New York, New York 10017.

Kathryn Senn Perry, Employers and Child Care: Establishing Services Through the Workplace, U.S. Department of Labor, Women's Bureau, revised August, 1982, Pamphlet 23.

University Research Corporation, Appalachian Regional Commission Employer Supported Child Care Study, Final Report, submitted to Appalachian Regional Commission, May, 1982.

"Corporate Aid is Sought in Light of Expected Day-Care Cuts," New York Times, February 7, 1982.

"Outside Child Care Rising with Increase in Working Mothers," New York Times, July 29, 1982; based on report by the U.S. Census Bureau.

2 Kay Clarke, "List of Employer Supported Child Care Programs in the U.S., 1981-1982," National Employer Supported Child Care Project, 1981; available from Child Care Information Service, P.O. Box 40652, Pasadena, California 91104-7652.

3 Working Mothers and Their Children, U.S. Department of Labor, Employment Standards Administration, Women's Bureau, 1977.

4 Extrapolated from figures in the "Consolidated Services Plan, Federal FY 1982-84," Human Resources Administration, City of New York, 250 Church Street, New York, New York 10014; and data from the New York State Bureau of Labor Statistics, 1980 Census.

5 "New York City/State Advisory Task Force on Day Care," Human Resources Administration, 250 Church Street, New York, New York 10013, October, 1982., p.3.

6 Perry, Employers and Child Care, pp. 5-6.

7 "The Cost-Effectiveness of High Quality Early Childhood Programs," High Scope Educational Research Foundation, 600 North River Street, Ypsilanti, Michigan 48197.

8 Day Care and the Working Poor: The Struggle for Self-Sufficiency, Community Service Society of New York, 105 East 22nd Street, New York, New York 10010, 1982.

"When faced with the dilemma of either having to choose between working with day care for her children, or sliding back on welfare, she chooses to continue working. This choice results in what is perhaps the most disturbing of all the studies' findings: 19% of all the families interviewed admitted that they had to leave their children unsupervised during all or part of the day."

9 Figures provided by Agency for Child Development, Human Resources Administration, as of March 1, 1983.

10 Figures provided by the Pre-School Association of the West Side (PAWS).

11 Extrapolated from figures in the "Consolidated Services Plan, federal FY 1982-1984," City of New York, Human Resources Administration, 1982, pp. 63-67.

12 Op Cit. Agency for Child Development.

13 Op Cit. Pre-School Association.

14 Day Care Centers: Regulations of the New York State Department of Social Services, Publication No. 1056; June, 1977; State of New York.

"Maximum group size and maximum ratio of children to child care staff supervising each group is:

Age	Maximum Group Size	Maximum ratio of children to child care staff
Under 18 months	8	1:4
18 months - 3 years	10	1:5
3 years old	15	1:5
Four and five years	20	1:7
Six to fourteen years	25	1:10

A special permit from the New York City Commissioner of Health is required to operate a day care service for children between two months and two years old."

15 Golub, Child Care and Working Parents, p. 58.

16 Sheila Kamerman and Alfred J. Kahn, Child Care, Family Benefits and Working Mothers, from an upcoming book.

17 Dana E. Friedman, "Company, Community Shape Responses to Family," World of Work Report, Vol. 8, Number 2, February, 1983.

18 Dana E. Friedman, Encouraging Employer Support to Working Parents: Community Strategies for Change, a report of The Working Parents Project for Carnegie Corporation of New York, March 1983, pp. 6-7.

CHAPTER 2: CORPORATE INITIATIVES

A. CURRENT PROVISION OF CHILD CARE ASSISTANCE

It was not a purpose of this study to survey all companies in New York City to determine whether they offer any form of child care assistance. However, in addition to learning about the programs of the 80 companies that participated in the survey, we also attempted to search out and contact the companies that were known to have, or be planning, any of the following types of programs:

1. **On-Site or Near-Site Child Care Centers.** The company operates a day care center on the premises or provides financial support to a child care center nearby;

2. **Child Care Subsidies or Vouchers.** The company provides a day care subsidy as a benefit to help parents pay for child care (or has a Dependent Care Assistance Plan which also provides a subsidy for elderly or handicapped dependents);

3. **Flexible Benefit Plans.** The company has a flexible benefit (or "cafeteria-style") plan that permits employees to select from a range of benefits, and child care reimbursement is one of the options;

4. **Information and Referral (I&R).** Employees receive information on child care facilities in the community from an information and referral service provided by, or through, the company;

5. **Employee Seminars.** The company, or a committee within the company, holds seminars or meetings on the subject of child care -- finding it, evaluating it, paying for it and dealing with other complex problems of working parents;

6. **Flexitime.** Company policies include flexible arrival and departure times or a willingness to restructure hours of work;

7. **Flexiplace.** Company policies encourage working from home for at least 30 hours per week.

We identified 20 companies in New York City that have taken one or more of these initiatives; of these, 17 were included in our survey.

1. **On-Site or Near-Site.** Three hospitals -- Bellevue, Montefiore, and Bayley Seaton -- have each arranged for a different type of child care service to be available to employees at moderate rates at or nearby the hospital (see p.76).

   * Bayley Seaton on Staten Island has a contract with a profit-making child care company that operates a center for 40 children in one wing of the hospital;
   * Montefiore Hospital in the Bronx has an arrangement with a community organization, Future Nurture Consultants, to operate a network of family day care homes in the neighborhood of the hospital; and
   * Bellevue Hospital in Manhattan provides services and equipment to the publicly-subsidized Bellevue Child Care Center in Phipps Housing in return for preferential spaces in the center for employees' children.

   Two other hospitals, a union and two nonprofit companies in the city are planning to establish on-site centers in the very near future.

2. **Child Care Subsidy.** The Ford Foundation offers a dependent care subsidy equal to half of the yearly cost of day care for children and dependent elderly parents to full-time employees whose family income is under $25,000 per year. At least three other companies -- the Edna McConnell Clark Foundation*, the Population Council* and Morgan Guaranty Trust Company -- are, or will be, experimenting with tax-efficient forms of Dependent Care Assistance Programs based on the 1981 Economic Recovery Tax Act.

3. **Flexible Benefit Plans.** Chemical Bank provides employees of three years tenure with an Employee Spending Account of $300 per year that can be supplemented by up to half of

* This company did not participate in the study.

their profit-sharing funds and used for unreimbursed medical expenses, child care, vision care or dental costs. Hewitt Associates, a benefits consulting firm, has a similar "modified" flexible benefits plan, as does Chase Manhattan Bank. No company in New York City currently has a full flexible benefits plan.

4. **Information and Referral**. Six employers -- Citibank, the United Nations, New York Telephone, the Federal Reserve Bank, the Ford Foundation and International Paper Company* -- provide employees with information and referral services. The first four maintain in-house lists of child care centers and services and the last two, International Paper Company and the Ford Foundation, have a contract with PAWS (a community-based organization) for their Child Care Information Service, Corporate Membership Plan, which makes a variety of specialized information and referral services available to employees.

5. **Employee Seminars**. Citibank, Warner Communications, Young and Rubicam, CBS, ABC, Newsweek and the United Nations have all had employee meetings or seminars on the subject of child care and have investigated how employees and the company might work together to provide a workable form of child care assistance.

6. **Flexitime and Part-Time**. The different definitions of these programs, the lack of formal policies governing their use, and the fact that they are instituted for other reasons than to help parents, preclude listing corporations where these programs are in operation. However, the chart and discussion on the following pages expand on the current practices regarding these programs.

7. **Flexiplace**. Same as category 6 above.

* This company did not participate in the study.

The chart on the following page summarizes the current state of interest or activity in these programs among our sample of 80 corporations and five unions. Every company or union has been categorized for each of the seven program options according to the following four levels of interest:

No Current Interest -- Included in this category are companies which stated that they have no reason to be interested in this option at this time; also included are companies that have considered this option in the past, but have rejected it for some reason.

Low-Level Interest -- Includes companies that said that the option seems viable for them but the right conditions for implementing it do not exist at the present time.

Active Interest -- Includes companies which stated that the option is under consideration -- either a committee, individual, or outside consultant is officially responsible for studying the option further and the company is awaiting the results of the study or further action is pending for some other reason.

Program in Operation -- The company has this program in place.

For the last two categories -- #6 and #7, which cover rearranged schedules -- we have placed companies in the "Active Interest" column when they have part-time work schedules or flexitime programs which were not necessarily designed to help working parents. The only companies that are listed in the "Program in Operation" category are those which are currently operating or experimenting with new work patterns specifically to accommodate working parents' needs. Option 7 -- flexiplace -- is not considered a suitable form of work for 32 of the 80 companies and 5 unions we interviewed. Even for the 53 for whom it may be appropriate, the prevailing view is that flexiplace can only be arranged for some categories of workers.

Level of Interest by Type of Initiative
80 Companies and 5 Unions

	No Current Interest	Low Level Interest	Active Interest	Program in Operation
1. On- or Near-Site Centers	60/71%	9/11%	13/15%	3/ 3%
2. Subsidies	61/72%	8/ 9%	14/17%	2/ 2%
3. Flexible Benefit Plans	47/55%	17/20%	18/22%	3/ 3%
4. Information and Referral (I&R)	59/69%	10/12%	12/14%	4/ 5%
5. Employee Seminars	64/75%	9/11%	4/ 5%	8/ 9%
6. Flexitime/ Rearranged hours	27/32%	8/ 9%	39/46%	11/13%
7. Flexiplace	30/56%	13/25%	7/13%	3/ 6%

Several companies have more than one program in operation. For instance, the Ford Foundation offers both Information and Referral Services and a child care subsidy, so they are counted twice in the "Program in Operation" category. Some companies and unions have held employee seminars and are now considering other programs so they are listed both as having a "Program in Operation" and an "Active Interest" in one or more of the other options.

HIGHLIGHTS

Over half of the companies interviewed have no current program and no current interest in initiating options 1-5. These companies are located in all industry types, all boroughs and all categories of company size. Nonetheless, 21% of the

companies interviewed do have a program of some sort in operation (excluding flexitime and flexiplace); the most popular options being employee seminars and information and referral programs.

Over half of the participating companies are actively considering at least one of the various options. More companies are considering flexible benefit programs than any other option -- 22% have an active interest in this option -- in addition to the 3% that have programs in operation. The primary reason companies gave for this interest is to reduce or contain the high costs of benefits, rather than to assist working families. However, employers reported that the changing character of the workforce -- more two-income families, more single parents, and employees who want more of a say in decisions affecting them -- is leading the company to consider flexible benefits as a potentially popular way to contain costs and increase employee satisfaction. Fifteen of the eighteen companies with an "active interest" said they will be making a detailed study of flexible benefits in the coming year. They want to learn what a flexible benefits program will entail in terms of both management and direct costs, as well as the various options that they could offer.

Since the passage of the 1981 Economic Recovery Tax Act, which makes employer contributions for child care tax-free to employees, many companies have begun to seriously consider offering a child care benefit as part of the flexible benefits package for the first time. This act states that if a company provides employees with a child care subsidy -- similar to an education subsidy or other direct payment -- this additional income is not considered part of an employees' taxable income. Before this regulation, a child care subsidy was taxable to the employee because it was a form of reimbursement, although it qualified as a tax-deduction for employers as an "ordinary and necessary" business expense.

A slightly different interpretation of these regulations is known as salary reduction. Using this interpretation, employers offer their employees child care assistance simply by deducting child care expenses directly from the employee's salary before taxes are computed. This way, the employee does not pay tax on the amount of money spent on child care and the company does not have to provide an additional amount of money as subsidy. The Internal Revenue Service has not yet determined whether this is a correct interpretation of the tax act. However, this option is potentially very attractive and even in the absence of IRS regulations (which have now been pending for over two years) several companies are proceeding to develop salary reduction plans while informing employees that this approach may not be allowed eventually.

Thirteen companies in the survey are actively considering establishing an on-site center at this time: three are manufacturing firms in the outer boroughs, two are communications companies in midtown Manhattan, two are nonprofit educational organizations and four are hospitals. One is a utility company and another is a union.

Five of these companies are planning to open centers in the fall of 1983, the others are still in the planning stage and no opening dates are predicted.

The chart shows that more companies are experimenting with restructured work hours than are providing direct financial assistance to employees for child care. However, most of the companies said that they are doing this not necessarily to help working parents but to solve some other business-related problems (such as communication with Europe or the West Coast). Employers also report that restructured hours are only offered to some categories of employees (usually computer operators or programmers) and they have not yet decided to make them available on a company-wide basis, although some are considering it. Flexiplace is still in its infancy -- each of

the three companies listed as having a "program in operation" actually has only one or two cases of employees working from home. However, many of these arrangements are described as being in direct response to requests from working parents. Three companies have work at home programs for handicapped workers. Restructured hours are very popular in hospitals and have helped several hospitals address the nursing shortage, but they are not yet prevalent in the information and service industries.

B. GENERAL BARRIERS TO PROVIDING CHILD CARE ASSISTANCE

Why haven't more New York City corporations and unions initiated programs for working parents? This question was at the heart of the 85 interviews with New York City corporate and union officials conducted by the Center. This section will report the responses from the 80 corporate interviews; union responses are reported in Chapter Three.

Companies usually made one of the following responses to the subject of child care:

1. It is considered a business-related issue that should be approached as are other business decisions -- logically and with substantial supporting documentation that it will have a financial pay back;

2. It is a benefits issue that should be approached as are other benefits decisions and implemented for the same reasons; or

3. It is a social issue that is either not the province of business or that should be handled by corporate philanthropy the way the company handles other social issues.

Thirty out of the eighty companies in this survey (37%) reported that they are very concerned about the problems of their working parents and are actively studying their possible responses (6 of the 30 are hospitals). These companies believe the business advantages are obvious, "Child care is a corporate

problem and the people who deny this fact are hiding their heads in the sand," said one bank executive.

Forty companies (50%) acknowledged that employees might have child care problems, but don't yet see a role for their company in addressing these problems. Primarily, they said they have not heard from employees that they want or need child care assistance from the company. In the absence of this expression of need, these companies say they do not have other clear-cut business incentives for providing child care assistance at this time. Some typical comments were:

> Personally, I think child care is wonderful, everyone should have it; but I've yet to see that lack of child care keeps people from work.

> We understand the need, we know it exists, the issue is, is there a role for the corporation in meeting this need?

Others are waiting until they see more proof that providing child care assistance to employees will result in increased productivity or decreased job turnover, thus justifying an expenditure of funds:

> To the extent we could hire and retain better workers it would be an incentive; whether it would encourage them to work harder has never been proven.

Twenty-two companies said that they won't start any programs themselves until so many other businesses in their industry have taken action that they are forced to initiate their own program in order to remain competitive.

Some companies not providing child care assistance reported that the nature of their relationships to the union precludes them from providing specific benefits. Most unionized companies pay a negotiated amount to the unions each year for benefits; the union then decides which services to provide and how the funds are to be divided among services. Employers said that if the union believes members want child

care services, it is up to the union to provide it. In general, the company provides nonunion employees with identical benefits to those the union members receive and does not provide any additional benefits to either group.

The final ten employers (12%) said they are completely opposed to providing child care assistance. These employers state that most of their employees do not have young children, that those who do have children have resolved the problem to their satisfaction or that it is not the corporation's business to worry about employees' child care arrangements.

C. INCENTIVES FOR CHILD CARE PROGRAMS

The thirty New York City corporations that reported an interest in providing assistance to working families gave the following reasons:

1. The company will be better able to attract and retain employees in fields where there is a shortage (like nursing, secretarial services or computer programming);

2. Lateness, absenteeism, or job turnover are expensive problems for the company that might be alleviated by more easily accessible child care;

3. Their employees have indicated that child care presents serious difficulties for them;

4. The chief executive officer believes child care is an important need and wants the company to be a leader in doing something about it;

5. Internal committees or individual staff members have organized a study and made recommendations to the senior management documenting employee problems;

6. The company wants to provide a service that will make employees happier and workers more committed. One employer said, "We take it as a given that concern about children and child care affect employee performance."

D. RESPONSES TO VARIOUS OPTIONS

1. On-Site Centers. Forty-three of the companies (53%) reported that at some point in the past five years they had considered opening an on-site day care center, usually at the suggestion of employees. After making a preliminary investigation, all but thirteen concluded that because of the potential problems, it would not be an appropriate thing for them to do for one or more of the following reasons:

* They have employees from the entire tri-state region who travel too long and too far on public transportation to bring their children to work with them (this argument was cited less often outside of Manhattan);
* An on-site center doesn't serve those employees who prefer a different type of care for their children;
* They are concerned that the corporation would be assuming too much legal liability;
* They do not believe enough of their employees have children and would utilize an on-site center;
* Once they calculate the cost of providing a day care center, even with the company subsidizing the cost of the space and some other expenses, they realize that fees will have to be in the $75 to $100/week range; this is too expensive for the majority of their employees and only would serve those at upper-income levels who, they believe, can more easily find or pay for child care services on their own;
* Suitable space is not available at a reasonable price (space costs $25 to $55/square foot in midtown Manhattan);
* Their space would not fit Health Department regulations, especially the requirement that there be an outdoor play area; and
* The idea of invading the sanctuary of work with children is inhibiting.

It is noteworthy that thirty corporations (37% of 80) said they do not know how many of their employees have children, how many they have, or what ages their children are. Several said they stopped asking for and keeping this kind of information since the seventies' when it was considered potentially discriminatory to ask employees for family-related information.

Eleven of the thirteen corporations interested in an on-site program are in the process of conducting an investigation to learn how many employees might be willing to use it. Three of these investigations are being conducted because the company agreed with the union that a child care needs assessment would be done in the next year. These investigations range from informal meetings with groups of employees, to structured feasibility studies and questionnaires. Some companies said they were undertaking a study because on-site child care centers begun at other companies failed to ascertain whatever employees really wanted this form of assistance and subsequently failed; others said the study was simply to get data to reinforce presentations to senior officers or to the board.

Nine of the corporations studying the possibility have made substantial progress in developing their plans for on-site centers -- they have appointed committees to conduct background research into how on-site centers are run, to learn who has developed successful centers and to learn what the space and health code requirements would be. Each has been in touch with one of several technical assistance groups like the Day Care Council, Catalyst, PAWS, the New York City Agency for Child Development, Bank Street, or private consultants.

In four cases plans for an on-site center have bogged down since our initial survey. Problems cited include current economic conditions, changes in senior management and a continuing concern about equal access to child care for all working parents. As employers express it, if the corporation

is willing to offer a child care service to the parents who will bring their children to an on-site center, what are they going to offer those parent employees who live too far away or who already have a form of child care they do not wish to change?

2. Subsidies, Vouchers and Dependent Care Assistance Plans (DCAP). Most employers do not consider child care as an isolated issue. They generally view it as one of a number of family-related or personal concerns that employees bring with them when they come to work. Other concerns are finances, marital or legal problems, their own or another family member's drug or alcohol addiction and other forms of psychological stress. The fact that child care is episodic, with parents' needs and concerns changing over time as their children grow older and their needs change, reinforces this point of view. It also makes it more unlikely that employers will consider initiating a child care benefit in isolation from other changes in benefits or employee services.

Some employers report that the barriers to an on-site center led them to consider subsidies or vouchers. Since the major drawback to an on-site center is that it would not serve all parent employees, would it be possible to offer all employees with children or dependents a stipend that they could then use to pay for whichever form of care they prefer? While this approach solves the equity issue among parents, it immediately opens another -- providing a similar benefit (or a benefit of similar value) to employees who do not have dependents.

In practice this issue has not raised as many problems as employers fear. The Ford Foundation, which has had a subsidy program since 1972, reports that other employees have accepted and even supported the program. They believe this is because the benefit is only for employees with family income under

$25,000 and most employees consider the child care program similar to the tuition reimbursement program. As the Vice-President for Personnel stated, "It's a good benefit for those people who need it, but it clearly isn't for everyone."

Child care subsidies, which are provided as part of the benefit package also run into the barrier of cost. Corporations are already spending large amounts of money on benefits -- anywhere from 20-50% of salaries and increasing at 20-25% per year. In the present economic climate, most employers are trying to avoid increasing benefits. Child care is perceived as being an especially expensive benefit, although only two corporations in this study reported that they had actually calculated the cost to provide a child care subsidy. The Ford Foundation reports that by paying 50 percent of employee child care costs up to a maximum based on rates set by the New York City Agency for Child Development, the average annual benefit per participant ranged from a high of $625 in 1975 to a low of $386 in 1978. The total cost of the program was $8,462 in 1980; 19 out of 201 support staff participated in the program. "Although it is commonly assumed that a child-care benefit package is going to be expensive, in fact, from 1972 to 1979 the DCAP was one of the least expensive benefits the foundation offered," noted the foundation's 1980 report of their child care assistance plan.[1]

Giving employees vouchers which they can then use instead of cash to pay for child care and which can only be redeemed at licensed centers has been used successfully by some employers in other parts of the country. This method of payment is preferred by some companies because it ensures that employees use licensed child care. Ten employers in this study thought that if the company were to provide a child care subsidy, the company would like to be assured that it was being used for quality child care "and not just paying a lot of baby-sitters." These companies are not providing vouchers now,

however, because it would be too difficult to keep track of all the different centers employees use throughout the tri-state region.

3. Flexible Benefits. After a child care subsidy or voucher plan, the next option employers consider is usually a flexible benefit plan as a way to contain benefit costs and solve the problem of equity. With flexible benefits, the company is able to offer employees a choice of benefits, the value of which is related to salary, or length of employment; employees can then choose which combination of benefits they want. For example, cafeteria-style benefits might help two-wage earner families that now receive double health coverage and no child care subsidy.

Flexible or "cafeteria-style" benefits have been under consideration by many corporations since the mid-1960's. A recent study by the Conference Board lists nine corporations that have instituted flexible benefit plans -- American Can, Educational Testing Service, the Girard Company, Pepsico, TRW, Kingsport Press, Marriott Corporation, American Mutual Life Insurance Co., and an unnamed company.[2] Most plans provide a core package that all employees receive -- including basic health and life insurance -- and a range of optional programs that each carry a value. The optional benefits can include extra savings, extra vacation time, dental services, legal services, child care, or tuition reimbursement. Through flexible benefits, employees have maximum choice and their benefits are not tied to a "family" issue such as whether or not they have children. Costs are held down because each benefit carries an attendant value and no employee can exceed his or her total allowance. The first child care option in a flexible benefits program was offered by Hewitt Associates in 1980.

Eighteen companies (22%) in the survey stated they will be making a major study of flexible benefits over the coming year. However, these and other companies also mention significant barriers to flexible benefit plans. Moving to a flexible benefits program entails a major overhaul of the entire benefits program and needs to be carefully studied, planned and thought through; administering the program requires a special computer program, extensive communication with employees, and a large amount of staff training and management time. Corporations are uncertain whether this initial investment will result in savings for them and in enough positive reactions from employees.

"Adverse selection" is also a concern to many corporations. The rates of current insurance programs are set on the basis of actuarial tables that indicate how many people will use a certain benefit. The cost is then spread across the total population of employees, a large number of whom will be covered but will never use that particular benefit. This allows the cost for everyone to remain relatively low. With flexible benefits, employees are more likely to select those options they expect to use -- like dental care when they need orthodontia work or vision care when they need glasses. A benefits program which allows employees to select a level of coverage that they believe fits their needs, will ultimately have the heaviest users congregated in one group, thus losing some of the financial advantages of the former pooling system.

Corporations are also concerned about the psychological response of their employees to choosing among benefits. Even though many employees never use some of the options they now have, they have the feeling of security that goes with knowing that they are "covered." Employers are concerned that with flexible benefits, employees will feel they have fewer benefits overall and are therefore less secure.

Finally, but very frequently mentioned, is the concern that employees might make poor selections, leaving the company with a legal or moral problem. Many employers ask themselves what would happen if an employee chose not to have a major medical plan and then was suddenly stricken -- wouldn't the company feel compelled to offer that employee assistance? The companies that have adopted flexible benefits have all offered a core package including major medical and life insurance as one way of overcoming this barrier; their programs are not totally flexible. Still, this is a concern of many companies that are considering the idea.

Three companies in our survey have "modified" forms of flexible benefits which provide employees with some choices about expenses that will be reimbursed by the plan. For instance, Hewitt Associates has a very simplified form of flexible benefits. All employees receive a major medical insurance policy with $100 deductible per year per person and are enrolled in the company's profit-sharing plan. After three years with the company, an employee becomes eligible for "flexible benefits." This consists of a tax-free fund that starts at $100 per year and increases by $100 every subsequent year to a maximum of $1,000. Employees can submit invoices for expenses from six categories that the company will pay from each employee's fund:

* medical expenses unreimbursed by the medical plan (including the $100 deductible);
* dental expenses;
* vision and hearing expenses;
* child care expenses;
* personal legal fees; and
* education expenses of the employee not reimbursed by Hewitt Associates (does not cover dependents' education).

From our study, we believe banks and the service industries are likely to take the lead in New York City in devising benefit plans that also include an optional child care subsidy. Already, employees at Chemical Bank and Chase Manhattan Bank receive an employee spending account that can be used to cover child care expenses; three other banks are considering initiating similar spending accounts.

4. Information and Referral Services. Data from this survey indicate that most companies have given little consideration to providing employees with access to information and referral services: 5 (6%) of the companies interviewed have their own in-house lists or have a contract with an outside organization to provide their employees with I&R services but over 69% have no current interest in providing these services.

The major barrier seems to be that they simply have not seriously considered this alternative. Ten companies out of eighty said that they thought the cost of providing the service would be greater than the benefit their employees would get from it. Two companies said that they were concerned that I&R services would not be able to provide employees with much assistance because the existing child care programs are already filled to capacity. (The Pre-School Association and ACD report that there are openings in some geographic areas and I&R Services can often help families locate family day care providers, babysitters, or after-school programs that are otherwise hard to find. However, they also report that at the present time there is such a shortage of group infant-care facilities that there is little they can offer in the way of referring parents to infant programs and the demand for this information is currently very high.)

In addition to the five companies with an active I&R service, eleven companies said that the personnel office receives and answers requests for information about child care

services, but that they do not do so in a systematic way and do not announce to employees that this service is available. None of these personnel offices utilized any of the existing directories of child care programs, although two said they would like to know where to get them.

Finally, six companies said that they were concerned about the cost of an I&R program given the current austerity measures under which the company was operating.

5. Seminars. Five companies in this survey said they offer seminars on a regular basis and that child care has been one of the recent subjects discussed. Two unions reported holding child care seminars within the past year. Six companies said they had internal committees that were looking into the subject of child care for employees, and management expects to hear from the committees when they have completed their investigations.

However, the majority of companies reported that seminars are not a regular form of communication with employees and they doubted that they would break tradition on this topic. Barriers were 1) the possibility that seminars would raise employees' expectations that the company was about to do something when it was not or 2) their employees did not want seminars and did not have time to attend them.

6. Restructured Hours. Working parents face two major problems in balancing the demands of their families and their jobs: money to pay for child care and time to spend with their families. Many of the most important programs to help working parents involve restructuring when and where work is done. Ten years ago, flexible work schedules were considered a foreign concept of unproved value. Today, 9.5 million full-time workers in the United States have some form of flexible work schedule or compressed work week; an additional 11.8 million

workers hold voluntary, permanent part-time jobs.[3] New York City, as a service-dominated city, has an important national contribution to make in experimenting with flexitime, permanent part-time work, electronic home work and other options involving new ways to structure work for the convenience and profitability of both employers and employees.

Each of these options, while offering new possibilities, also has the potential for negative consequences or abuses. Part-time work is not unusual in many occupations -- for instance, for a long time sales clerks have been offered a range of shifts that could fit a working parent's schedule. The disadvantages have always been the lack of opportunities for advancement, a tendency to classify part-time jobs held by women as being of lower value than full-time jobs or those held by men and a reluctance to offer part-time employees sick leave or vacation time. Another problem is the tendency for part-time workers to work more than the hours they are actually paid for, without the option of overtime.

Sixteen companies stated that they have official flexitime policies or restructured hours as an option. In some, employees work seven hours per day but set their own arrival and departure times around core hours (usually 10 - 3). One company reported that this was their most successful program in terms of employee satisfaction; another said that it was made necessary by commuting problems and was not wholeheartedly endorsed by management. Others seemed to think the program was important to employees but did not really provide much assistance to working parents because they still had to work the same total number of hours.

Rearranged hours (for instance, a weekend schedule of three 12-hour days followed by four off) are very attractive to many working parents and have been endorsed by some professional associations -- principally nursing. Some employees seem to like the freedom of large blocks of time with

their families and the opportunity to work intensely for long periods of time in return for extended free time. It should be noted that in general the unions have not favored restructured hours because they fear employees will lose overtime pay and privileges that have been carefully won through union negotiations.

"Telecommuting," "remote work," and "cottage keying" are the terms being used to describe working at home, generally on a computer -- either writing computer programs or making data entries. Some people view this kind of home-based work as a boon to individual freedom, and others as a threat to employees' rights. The computer programming professionals, or those who can use computers in their "entrepreneurial" work, look on home work from a computer terminal as a liberation from the demands of a 9-5 regime and commuting problems; it provides an opportunity for them to spend more time with their families and still be highly productive because they determine their own hours of work. However, anyone who has attempted to work in the company of small children knows that work at home does not necessarily reduce the need for child care!

Another group, primarily those who have been part of the experiments with electronic "piece work," are concerned about potential exploitation of workers.[4] They fear that home workers, who will be predominantly women, can legitimately be denied the pay levels and benefits enjoyed by their colleagues in the office. Home work would probably have no paid vacation time, no paid sick leave and no fringe benefits; workers would be required to complete a minimum number of transactions per week and that minimum could be increased without the employee having any right to object or without an agent to enforce their rights. Finally, the work is boring, with no opportunities for socializing or contact with other workers and ideas and the pay levels are generally lower on the assumption that employees' work-related expenses will be lower.

Unions are concerned that home work will be developed as a way of keeping office workers unorganized. Since so few office workers are now unionized, there is a heightened risk that some service businesses will become new "runaway" shops, cutting back on office staff and giving their jobs to low-paid workers in their homes.

The increasing computerization of many office jobs feeds into another trend that is important for New York City -- business decentralization or "back office" units. Some employers, especially in Manhattan where rents are so high, are deciding that they no longer need to gather a large work force under one roof. Advances in automation make it possible to disperse employees throughout a constellation of small facilities in less expensive locations, neighborhood settings, or even homes. Back office sites could benefit parents in New York's outer boroughs, and make it possible for parents to work closer to their children's neighborhood child care facility. However, there is concern that in the absence of cheap rentals, Manhattan-based employers will set up back offices in the suburban areas or overseas and thus make the job situation even worse in the outer boroughs where there is already high unemployment and few new prospects for jobs.

Ten companies in this survey reported that they now have at least two or three employees on restructured hours, most at the request of the employee. Those men and women who have arranged new schedules or job-sharing are the more "entrepreneurial" ones and are still considered exceptions. Corporations acknowledge that in the past few years they have been altering their practices to make arrangements for some parent employees in critical roles or those who come in with a workable arrangement. These exceptions are opening up corporate awareness to the problem and, in many cases, setting de facto policy in areas like more flexible leave policies, permanent part-time work, and job-sharing.

While these innovations are important to overall growth of programs and consciousness, there is also a negative side. In a recent article in the New York Times Magazine, "Careers and the Lure of Motherhood," Anita Shreve, author, noted,

> Obviously, employers are often less reluctant to accommodate workers whom they cannot easily replace. But this elitism-of-talent principle, which allows some women - but not others - to benefit from part-time arrangements, may, in fact, be more damaging than helpful to women in general. For, according to some advocates for women's rights, these policies have the inadvertent effect of satisfying - and thus silencing - the most talented women in the workforce, those who might otherwise spearhead a change in policy.[5]

Companies expressed general conservatism about allowing permanent part-time work, at-home work or job-sharing as a matter of policy. This is mainly because they are concerned that these changes will present problems in supervision and cause other employees to feel either deprived of a privilege or overworked because they have to assume some of the absent person's task. However, at a recent conference on restructuring work, a representative of the American Management Association stated that these problems arise because companies have not trained supervisors to manage part-time employees.[6] Part-time workers and job-sharing arrangements present special challenges that haven not been addressed in most supervisors' training programs; as a result, many supervisors are uncertain (and therefore antagonistic) when faced with this "unusual" situation. The AMA representative believes that if supervisors were better prepared, the problems could be reduced.

E. OTHER BARRIERS AND INCENTIVES

In assessing their options, employers weigh the relative strength of different barriers and incentives according to a varying set of business objectives. For example, many of the

large corporations state that at this time the primary incentive to initiate a child care program would be to please employees or to be a leader; they are not convinced there is an immediate, profit-related reason for providing child care assistance. If they believe some employees would feel they were treated unfairly in the benefits program or if the problems of running a program make a positive outcome uncertain, the motivation disappears. This is why on-site day care centers are not more appealing to city employers -- employers fear that employees who can not receive the child care benefit will complain and that more problems will be created than solved.

The subject of employer involvement in child care, however, is relatively new and barriers and incentives are constantly shifting. As changes occur in the strength of the incentives, the relative strength of the barriers will also change. For instance, 70% of employers said that they have not heard from their employees that child care presents a problem for them. If that changes -- if more employee groups and associations study the problems and come to senior management with information that documents a need -- the companies will be more likely to reexamine the barriers for ways around them.

Medium-sized corporations and some unions now report that they have only a few working parents as a percentage of the total organization. When the economy is tight, these corporations weigh offering a benefit like day care that would help <u>some</u> employees with a lower medical deductible that would help <u>many</u>. If their employee population begins to change and they become aware that more of their employees are parents who have young children, their perception of the value of a child care benefit might change. Also, the firms that are considering child care subsidies are considering subsidies for other dependents. With an aging population, more employees have dependent parents, making the case stronger for employers

to provide Dependent Care Assistance Programs and decreasing concern about the inequity in these programs.

The largest job growth sector in the city is the service sector -- insurance, banking, securities, law. In these industries, especially, there is a demand for more secretaries, typists, clerks and data processing workers. At least 20% of all new job openings in the next three years are projected to be among these professions and seventeen companies in this survey mentioned a current or anticipated shortage of good clerical and secretarial help as one of their major labor problems. Since these jobs are traditionally held by women, the business incentive to provide some form of assistance for child care, or for more flexible hours, may increase in these industries, both as a way of making it easier for women to come back to work after their children are born or for parents with children to work with less anxiety and stress.

A third area where shifts may be occurring is in a changing appreciation for the existing workforce. Many companies said they are less likely than ever before to view employees as easily replaceable. Rather, employees with proved capability and loyalty now are considered part of the company's assets. Even in a time of high unemployment, employers expressed the opinion that it is expensive and problematic to lose good employees. In the long run, they consider it more economical to help employees through a difficult time than to replace them.

A senior officer of one of the city's major banks stated that in his experience, providing assistance to an employee in a time of stress or crisis is one of the most powerful ways to build loyalty. When an employee experiences the employer being responsive and understanding in a time of personal or professional need, a bond of loyalty is established that withstands other, purely monetary forms of job competition. Since child care problems are fairly episodic, employees may

have more leverage than they believe they do in obtaining assistance -- such as monetary aid or rearranged hours -- for a specified period of time -- for instance, when child care arrangements fall apart and new ones need to be made.

In this study, this point of view was articulated more frequently by the medium-sized companies and the smaller manufacturing firms; large corporations spoke more in terms of "employee satisfaction."

The survey also uncovered many covert, more attitudinal barriers to business support for child care. Most of the "employers" interviewed are also employees, and many of them are parents. They often spoke candidly about the nature of corporate resistance to this form of assistance. They expressed the belief that in many corporations child care is still considered a "women's" issue rather than a family issue. Some companies have not yet adjusted to the reality that parents with young children are in all levels of the organization as a permanent fact of life. They do not acknowledge that employees need child care assistance and will be better workers as a result.

There also seem to be several unwritten taboos about the subject of child care in the business setting. One of the interviews for this study began with the statement, "When we first mentioned child care, everyone was afraid we'd have children running through the halls." Other employers spoke similarly. Apparently there is an important psychological barrier between work and home, a barrier that both men and women are hesitant to break. Many people think of the job site as a sanctuary where other issues are suspended and total concentration is applied to the tasks at hand. They do not think they could tolerate having children, and their demands, in or near this setting.

For others, there is a strong feeling that work and family life should be separated because the demands of work already

have enough psychological and economic hold on employees. They do not want to see children's welfare or happiness tied to the parent's employer; they do not want parents to lose their freedom to leave a job if they want to out of concern that their child would then have to leave a secure day care environment.

Several of those interviewed said they believe employees, especially women, are afraid to bring up the issue of child care because they feel it discourages their chances for promotion or advancement by showing that they can not manage both home and work. This may be a realistic fear. Several corporations reported that maternity leaves and requests for part-time work by parents caused extra problems for managers, especially in those industries where managers are under pressure to meet deadlines or production objectives. One personnel officer said that he is careful not to hire women who might have an unstable child care arrangement.

In those corporations with younger senior management there seems to be more receptivity to the potential benefits of corporate support of working parents. Unlike older managers, who seldom encountered the problem, more of these managers are mothers themselves, or have working wives, and therefore have direct experience with the daily problems a working family faces. A recent report from the Children's Defense Fund stated that one consequence of the increase of women in the labor force is that soon, for the first time in this country's history, the majority of male workers will no longer have wives whose only job is to manage home life -- 60% of employed fathers will have wives in the labor force.[7]

This general overview of employers' practices, knowledge and attitudes toward employer-supported child care is further elaborated in Chapter Three, which examines the specific factors that influence ten different groups of industries important to the city's economy.

Footnotes - Chapter 2

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2 Mitchell Meyer, Flexible Employee Benefit Plans: Companies' Experience, A Research Report from The Conference Board, 845 Third Avenue, New York, New York 10022. Report No. 831.

3 New Work Schedules for a Changing Society, A Work in America Institute Policy Study, Directed by Jerome M. Rosow and Robert Zager, Scarsdale, New York, 1981, p. 1.

4 Philip Mattera, "Home Computer Sweatshops," The Nation, April 2, 1983, pp. 390-392.

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John Andrew, "Terminal Tedium, As Computers Change the Nature of Work, Some Jobs Lose Savor," Wall Street Journal, May 6, 1983, p. 1.

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CHAPTER 3: TEN MAJOR INDUSTRIES

A. OVERVIEW

Many factors contribute to how a particular company or industry responds to the idea of providing assistance to working parents; some of these are:

1) the financial condition of the company or industry,
2) its current and future labor needs,
3) the company demographics -- location, size and type of employees,
4) the presence or absence of unions,
5) the sophistication of its present benefits program,
6) its basic human resource philosophy, and
7) the company's willingness to change corporate procedure on this issue.

The first four items can be learned from public documents but the last three -- the company's basic human resource philosophy, the sophistication of the current benefits program, and the company's willingness to make these changes -- all need to be assessed from within the particular company. Therefore, it is difficult to develop generalizations -- or predictions -- about how or when particular industries or companies will respond, even though trends are emerging.

From this study, the following conditions seem to be significant:

1. Financial condition of the company. Companies must be in a strong position financially to consider providing a child care benefit. Even though studies have shown less absenteeism, job turnover, and lateness when a company provides a child care assistance program, the cost-saving benefits have not been proven to a degree that a manager would recommend that the company institute a child care assistance plan to improve productivity in a time of recession.

2. Current and future labor needs. Child care services are attractive to those industries that want to make it possible for trained women employees to return to work, instead of taking several years out to be with young children -- witness the hospitals' response to the nursing shortage. Indications are from this study that a similar situation may soon exist in the service industries where there will be a growing need for clerical workers and data processors and a strong incentive to keep employees who have been with the company for many years and know how to do specialized jobs.

3. Demographics

a. Location: Location alone doesn't seem to be a determinant of interest, although it does affect the type of response employers are considering at this time. Manhattan employers are almost universally dubious about the utility or feasibility of on-site centers, whereas firms in the outer boroughs are more seriously considering the possibility.

b. Size. Size does seem to be an important factor. Large, and extra-large companies are most interested in subsidies and consider them the most promising alternatives. One reason is that they are the most concerned with providing equity in benefits and services and they have the staff and computer capacity to consider moving to flexible benefits. Small companies -- those employing under 100 people -- usually cannot afford a subsidy and cannot be flexible about hours because there are so few people. An offsetting factor in small businesses is that many problems can be solved on an individualized basis, including restructured hours or occasional days off to take care of a sick child.

c. Composition of workforce. Not surprisingly, the most significant factor regarding the composition of the workforce is the percentage of women employed. With the exception of the garment industry and other unionized fields, the industries that have more than a majority of women -- banking, communications, non-profit agencies, and educational institutions -- seem to have the highest level of interest in child care programs, especially when there are significant numbers of women in middle management.

4. Unionization. Perhaps the most significant factor in determining whether a company even considers the option of providing child care, is the presence or absence of a bargaining unit. If there is a union, the company considers it the unions' responsibility to provide child care and they provide non-union employees with the same basic benefits package that the union provides. Conversely, the absence of a union has an impact on the degree to which companies consider "employee satisfaction" as a major incentive for action or change. Some unions have begun to press employers to start or pay for child care centers and have included this demand -- or demand for a feasibility study -- within collective bargaining discussions.

5. Present Benefits Program. The critical factor is what the company considers the purpose of the benefits program to be. Some companies like banks, small manufacturing companies and medium-size service industries (such as law firms) consider the benefits package an important way to express the company's commitment to employee's long-term employment and general well-being. Other companies provide minimal benefits and offer employees profit-sharing or bonuses instead. The advertising and communications industries rely on a continuous flow of creative people who work for a few years and then move on to

something else, so long-term benefits are not so important to their operation. For other companies benefits are a major means of being competitive for good employees. Given this wide variation within industries, it is hard to predict how any particular company will weigh the importance of benefits and how far they will go to offer employees benefits they consider important. Obviously, the more important the company thinks it is to be competitive in benefits, the more seriously they are considering child or dependent care assistance plans.

6. Human Resource Philosophy. Seventy-five out of the 80 company representatives interviewed as part of this study were able to describe a "personality" for their company -- an approach to the type of business and the management of the work that set their company apart from the others in the field and that determines to a great extent the type of people who work there, the mutual expectations of workers and management, and the way they approach a human resource issue like child care. These personality differences are most pronounced in small and medium-sized organizations that still reflect the personality of the original owner, but they exist to a striking degree in larger institutions as well.

7. Willingness to Change. Some of the major mechanical, logistical and psychological factors that have an impact on employers' willingness to undertake child care initiatives have been discussed in the previous chapter. Dana Friedman, in Encouraging Employer Support to Working Parents: Community Strategies for Change," says of the strength of these factors as a rationale for change:,

> As these pressures on employers grow, so do the costs of not responding to them. According to Harry Levinson who espouses a psychoanalytic approach to organizational diagnosis, companies will be more apt to change when there is "pain", i.e., when there is a

> problem that causes management concern. Citing the views of organizational theorists Beckhard and Greiner, Michael Beer points out that "if there is one thing of which researchers are very certain, it is that organizations do change when they are under pressure and rarely when they are not." (p.18)

Those employers who seemed more receptive to working parent programs than others have often demonstrated a concern for some other social issue or personal problem. For instance, among businesses that have successfully participated in minority youth employment programs, all said they were "actively considering" child care assistance. Six companies in this survey said they have received good employees and tax benefits from participating in employment programs -- one manufacturing firm in the Bronx reported it had saved $10,000 in taxes in one year -- and are willing to consider other, similar programs. They also want to keep the employees they are training and they recognize women as reliable, stable employees, if they are resolved about where and how their children are being cared for while they work.

Also, businesses that have employee counseling programs, either in-house or contracted through outside organizations, are often ahead of other companies in considering child care benefits. Employee counseling programs indicate that the organization already has an appreciation for the interactive dynamic between family life and job performance and has demonstrated its willingness to make an investment to improve the situation for their employees.

B. THE ECONOMIC CLIMATE

New York City's total economy and existing job patterns create a climate that also affects employers' attitudes about the value of their existing workforce as well as their flexibility to initiate changes.

New York's economy has been relatively healthy during the current recession primarily because of the finance and service industries. As other cities and regions begin to compete for these industries, the question will be whether New York City can remain competitive. The city currently has 3.3 million jobs and a resident labor force of 2.8 million. The economy of the city expanded in the early part of 1982, but by year end, the city experienced the effects of the national recession and total employment contracted by 7,000 jobs or 0.2 percent. Job growth continued in the financial and service sectors, although at a slower rate and by year-end, was offset by losses of 27,000 jobs in manufacturing, 7,000 in transportation, communications and public utilities and 8,000 in trade. Additionally, some retrenchment in the public sector occurred by the last half of the year. Construction jobs continued to increase, although at a slower rate.[1]

Data from the Bureau of Labor Statistics shows that manufacturing employment in the city has been declining since the early 1950's. Some of the biggest losses since 1977 have been in primary metals, textile products, men's and boys' clothing and women's and children's undergarments. There also has been a continuing loss of jobs in manufacturers' administrative offices -- there were 85,900 such jobs in 1969 and 44,800 in 1982. Other declining fields have been trade, transportation and public utilities.[2]

From 1977 to 1982, the growing sectors of employment have been services, finance, insurance, real estate, construction and government. New York City, with 60.7 percent of jobs classified as white collar, is above the national average of 53.7%; although it has been falling behind other major American cities in wage increases. In the 1977-82 period, the average increase for clerical workers was 42 percent here, compared with 51 percent nationwide; for electronic data-processing it was 42 percent in New York and 51 percent nationwide; skilled

maintenance trades increased 49 percent compared with 55 percent nationally, and for unskilled plant workers it was 43 percent and 55 percent respectively.

Women working in the city increased by 68,000 in 1977-82 while there were 23,000 fewer men working.[3] Given the dramatic increase in the number of families headed by women and the fact that women workers earn, on the average, 40% of what men earn, these figures have major implications for the future of the city's children and the growing need for child care services for low and middle-income families.[4]

C. INDIVIDUAL INDUSTRIES

1. INSURANCE

The 1981 deregulation of the securities industry has propelled this conservative industry to make changes it never expected to have to make. Deregulation has made it possible for financial institutions to combine banking with selling securities and insurance as well as to provide credit cards. This has brought increased competition to the industry and experts predict that this will lead to the demise of many smaller firms. Some companies find they are overstaffed and need to pare down and become more efficient.

New York City contains the head offices of 36 major insurance companies, including nine mutual insurance companies. These offices are heavily staffed with clerical and data processing personnel. Currently one out of every ten employees is a computer programmer or operator. One insurance company vice-president stated, "in ten years everyone in our industry will work with a computer." At present, the industry is not having trouble hiring or keeping people. The major problem seems to be making room for younger managers.

Insurance company officials describe this as a "conservative" industry--not quick to change or adopt new ways, "neither leaders, nor too far behind" other industries. The insurance industry has a good record in corporate philanthropy. According to the Clearinghouse on Corporate Social Responsibility, life and health insurance companies made $2 billion worth of social investments in 1980. One of their special areas of contributions is preventive health.

A. Current Practices

Number of companies interviewed: 5

	No Current Interest	Low-Level Interest	Active Interest	Program in Operation
1. On or Near-Site Centers	5	0	0	0
2. Dependent Care Subsidies	3	2	0	0
3. Flexible Benefit Plans	1	1	3	0
4. Information and Referral (I&R)	4	1	0	0
5. Employee Seminars	3	1	1	0
6. Flexitime	1	1	3*	0
7. Flexiplace	2	1	2**	0

* Includes companies that have rearranged hours but not necessarily to respond to the needs of working parents.

** On a trial basis; if it "works out," may become policy.

B. General Barriers and Incentives to Child Care Programs

Within the insurance industry, senior managers report that they are not hearing from workers that they want this benefit, "We've only received one letter asking for it out of 15,000 employees." Or, if they have heard from employees, requests are coming from the professional staff: "The group we'd like to help most -- the clerical staff -- isn't asking for it; the demands are coming from middle-management and they can afford to pay for child care," said one officer.

Equitable Life, one of the leaders in the industry, conducted a pilot child care program in three of its locations--Atlanta, Columbus and Albuquerque. In this pilot, they sub-contracted with a profit-making child care agency with

several sites around each city. Paticipation in the pilot program was low, only 25 employees out of 300 took advantage of the program in one city and the experiment was dubbed a "failure". Other companies know of this experiment and cite it as evidence of the problem with trying to provide this service. Dr. Friedman, who studied this experiment to learn why the usage was so low, reports that employees said that two of the three centers weren't in convenient locations and that the management of two centers did not give them a feeling of assurance that their children were being well-cared for.[5]

The insurance industry is known for being "good" to its employees. There are strong traditional incentives for benefits and programs that lead to employee satisfaction. Officials state that if they were convinced that a significant number of employees (parent and non-parent) would be pleased by a child care program, they would certainly consider initiating one.

C. The Appropriateness of Certain Models

1. On Site or Near-Site Centers. Four of the five insurance companies interviewed have considered but abandoned the idea of running an on-site center. Their principal concern is that workers come from too many directions and travel too long and far on public transportation to utilize an on-site center. They are also concerned about liability in an on-site center, even though most companies that operate child care centers form a separate, not-for-profit corporation that administers the center and takes out its own insurance policy.

Insurance companies consider themselves civic-minded and the representatives interviewed said they might be willing to become partners with other corporations in providing funding to community-based centers. Those that expressed this opinion said if the company were to participate in a consortium, it

would have to take steps to overcome the problem of inequity by providing some alternative service for parents who don't want to use the near-site center.

2. Subsidies, Vouchers or Flexible Benefits. This is an area full of open questions for insurance companies, although vouchers (direct payments to child care centers that reserve some slots for their employees) have some appeal. The companies would like most to participate in a system that would give parents an option to utilize licensed centers near their homes. This would give the companies assurance about how the money was being spent and decrease their concerns about their own legal liability. One problem, though, is that vouchers issued for licensed child care, would tie the parents to the "commercial" system (as opposed to the "informal" family-based system). This can mean more expensive child care fees, especially for lower-paid employees. There is concern too, that managing a subsidy program will involve the company in monitoring parents' payments and they don't perceive this as an employer's "business." One executive was wary of the company monitoring employees' child care payments and even feared that people might make claims for children they didn't have!

On the whole, the insurance industry showed more skepticism about flexible benefits than some other industries, at least among the group we interviewed. The major problems seem to be concern about administration -- "it's hell on wheels to administer" -- and costs. If the purpose is to keep costs constant and just "reallocate the pie," there could be major employee dissatisfaction because in existing benefits programs, employees aren't charged fully for the services they receive (even though they don't use many of the services). The companies fear that many employees will perceive a loss in the total benefit package they are offered. Insurance companies tend to be paternalistic when it comes to benefits, "I'm not

sure it is in everyone's best interest to have complete freedom -- we'd at least have a standard core to be sure people were covered for catastrophic loss," said one. Others saw increasing costs working to the benefit of flexible benefits, "Since health costs are so high, employees will have to contribute more and therefore, they should have a choice in what they buy."

3. Information and Referral Programs or Employee Seminars. These programs seem to be ideal points of entry for this industry to involve itself in child care -- insurance companies have large employee populations (the top three companies -- Metropolitan Life, Prudential and Equitable employ 15,000 people among them) so that even if only 10% of the population needs child care services, that would be a sizeable number of people to help. Also, employee counseling programs and seminars are not unusual in these companies.

No insurance company interviewed has yet decided to provide information and referral services either from an in-house list or through an outside service; however, none offered a substantial barrier to this form of assistance. One executive implied that an information and referral program costing $10,000/year to service a total population of 12,000 employees, would be "exorbitant" yet, three of the five officials interviewed acknowledged that they are ready to consider new initiatives to increase employee satisfaction.

One manager was concerned that because New York City has such a shortage of facilities, parents calling an Information and Referral Service would only be told that nothing was available - leaving them more frustrated than before. Another executive said that in their management structure such expenses would have to be allocated division by division and in the attempt to keep costs down, most divisions would not choose to spend their money in this way.

4. Part-Time, Job-Sharing, Flexitime, Telecommuting. These policies are important to the insurance industry for business reasons and will most likely increase in use. Metropolitan Life Insurance cited flexitime as, "our most popular program" (they have core hours of 10-3 and a 7-hour work day determined by each employee within his/her department). Another company stated, "We have a flextime policy mandated by the New York City Transit Authority -- if we didn't no one could get to work on time."

At Equitable Life Assurance Society, Inc. options for flexible working hours are extremely varied depending on the facility and the functions of each branch of the company. These options include: a compressed work week, experimentation with the "biweek," gliding hours, limited time, and other nontraditional schedules; a retiree rehiring program and a small work-at-home program for handicapped employees. The most popular form of flexitime available to Equitable employees is known as the "nine-tenths" biweek -- by working 45 minutes extra each day for nine days, the employee earns the tenth day off. They report that all of these flexible schedules are very popular with parents.

Although, on the whole, the insurance companies tend to be highly managed and not eager to adjust policies to accommodate individual preferences, the number of computer-related functions they need performed is leading them to consider more flexible arrangements. One company reported that a part-time, job-sharing program is "on-trial" with computer programmers. If it works, it will be expanded to other areas and functions.

2. BANKING

Three comments indicate the range of responses from the banking industry to the subject of employer-supports to working parents:

"To be truthful, child care hasn't been thought about much in the corporate setting."

"Child care is an issue that's building momentum -- it needs to be supplemented by research on need, productivity, and lower turnover."

"Child care is a corporate problem and the people who deny this fact are hiding their heads in the sand."

Commercial banks in New York City tend to be large institutions and given the recent deregulation of the securities industry, they are experiencing similar problems to the insurance companies. There are 60 commercial banks in New York City and 33 savings banks, employing over 171,000 people.[6] The banking industry hires many entry-level and untrained employees, companies cite stiff competition among them for good secretarial and clerical employees.

Many corporations have advanced training programs and report that staff development is a high priority. In fact, hiring, training, and promoting good people were reported the primary "employee-relations" issues of the present and future, "We need a lot of bright people in the right jobs -- we have to find ways to make the jobs challenging and provide mobility," said one executive. Turnover in the industry is about 20-30% per year. The industry has a young work force -- the day of the forty-year employee is over -- and the prediction is that increased automation won't diminish the need for employees. "We'll just need people with different skills," said one banking executive.

A. Current Practices

Number of companies interviewed: 11

	No Current Interest	Low-Level Interest	Active Interest	Program in Operation
1. On or Near-Site Centers	10	1	0	0
2. Dependent Care Subsidies	7	1	2	1
3. Flexible Benefit Plans	2	3	4	2
4. Information and Referral (I&R)	6	1	3	1
5. Employee Seminars	10	0	0	1
6. Flexitime	2	2	7	0
7. Flexiplace	2	6	2	1

B. General Barriers and Incentives to Child Care Programs

Several officials reported that banks have a "me-too" attitude -- they watch their competitors carefully and if a new policy works well, it spreads throughout the industry. This is not to say that the companies are identical; on the contrary, there are vast differences in the atmosphere at the companies, the degree of paternalism that prevails, and in the benefit programs they offer.

Empirical data and rational arguments have strong sway in this industry:

> "If we can't find qualified people and we then find that the most qualified are mothers with small children, then we will execute programs to attract such personnel."

"We're not convinced it makes business sense, in addition to making 'people' sense."

"If management understood how child care is affecting the working mother, they might consider it -- however, management's receptivity depends on the expense involved -- not just direct costs, but management costs. If there was empirical evidence that productivity would increase, we'd consider it."

C. The Appropriateness of Certain Models

1. On or Near-Site Centers. Not feasible. Most banks have too many locations and branch offices to be able to consider an on-site center. One employer said they had read statistics showing that out of 18 on-site centers started by companies between 1960 and 1974, only two remain today. They were disturbed by this poor success rate and by the fact that "only 2% of employees used them." This information increased their overall skepticism about the value of child care services to employees.[7]

2. Subsidies, Vouchers and Flexible Benefits. Benefits within this industry are a big part of business -- in one institution they are 42% of payroll; a large bank with 20,000 employees reported that they spend $100 million/year on medical benefits alone. As with most large corporations, any consideration of subsidies quickly turns into a discussion of cafeteria-style benefits because child care subsidies are costly and considered discriminatory in favor of the family.

The attractive aspects of flexible benefits are: 1) they go with the prevailing psychology of workers who want to make their own decisions and determine for themselves the way their benefits are allocated; and 2) most companies are "stuck" with a benefit system conceived 30 years ago. Cafeteria style benefits would allow for a major overhaul and reconceptualization of the

system. Disadvantages are:

1) upfront costs might be so high that there is no cost saving;

2) flexible benefits programs require an elaborate computer support system and some companies don't feel they're ready to take that on at this point (they cited both technical and economic constraints); and

3) it is administratively difficult to control.

However, most thought flexible benefits would be well-received by existing employees and would help attract new ones.

One company predicted that even if they did go to cafeteria-style benefits, a child care option would be added in a second group with other "enhancements" -- tuition reimbursement, legal-fees, commutation benefits. The first group of benefits would be capital accumulation, savings, and health services.

Two banks have initiated modified forms of flexible benefits:

* Chemical Bank is providing employees who have been with the company for over three years with a $300 per year stipend that can be used for uncovered medical expenses, dental care, vision care or child care; plus the option of using half of their yearly profit-sharing allotment for the same categories of expenses. This is a simplified form of flexible benefits that is under consideration in several other banks.
* Chase Manhattan offers a capital accumulation plan which gives each employee a bonus amount that can be used immediately or re-invested; this becomes, in effect, a tax-free subsidy that can be used to cover immediate expenses -- like child care -- or saved for the future.

* Morgan Guaranty is planning a Dependent Care Assistance Program utilizing the salary reduction method of financing. The program is scheduled to begin in the fall of 1983. Two other banks are considering a similar approach but have not made a final commitment to do so.

3. Information/Referral and Seminars. Citibank maintains an in-house list of child care centers, by borough, that it has developed with the assistance of the Pre-School Association (PAWS). They report that the list is frequently used.

Four of the banks in the Wall Street area have been referring employees to the child care center in Trinity Church, but say it is "too expensive" for most of their interested employees (Rates are $110/wk for children over 2). One bank personnel officer received 20 inquiries about the center when it was first advertised, but all of the employees who inquired found it was too expensive. One personnel director said because of the price she publicized the center in "a low-key way."

Three banks said they would consider participating in a city-wide Information and Referral clearinghouse if it provided a service their employees were likely to use. However, they all said they would prefer to participate in a system run by a private organization because they were concerned that if the city ran the system, employees could get "caught in a maze of government bureaucracy."

4. Part-time, Job-Sharing, Flexitime, Telecommuting. The banking industry is heavily computerized. Within the data processing departments, especially, there is considerable experimentation with variable working hours and permanent part-time work. One of the major banks is experimenting with a pilot telecommuting program for working mothers.

There are three main reasons why more experimentation with restructured work hours is occurring among computer-based jobs; all of them motivated by business reasons rather than as a convenience for parent employees:

A. It is more efficient to keep data processing operations in business 24-hours a day, so workers' schedules need to be adjusted to do this. The most common accommodation is for employees to work three 12-hour days with four full days off. Employers report that this is a desirable schedule for parents and many prefer it to 8-hour work days.

B. Computer programmers are in great demand so experienced programmers who want or need to adjust their schedules are accommodated more readily.

C. The work itself lends itself more easily to a de-centralized structure -- it can easily be done from home, the task is clear and the supervisor doesn't play so important a role in keeping the job moving.

Many companies consider that the adjusted schedules within the data processing functions are experimental and as they gain experience in these departments, similar programs will be carried over to other parts of the institution; others see it as a particular accommodation to a particular need and <u>not</u> transferrable.

Some innovative programs are being considered within several banks. For instance, Manufacturer's Hanover Trust is planning a new program for workers with children in school. This fall, 39 parents will participate in an experiment with a nine-month work year from September to May with the three summer months off to be with their children.

3. COMMUNICATIONS, ADVERTISING, RESEARCH AND PUBLISHING

New York City is the center of the communications industry of the country. All three of the major television networks have their head offices here as do the major news magazines, book and newspaper publishers and advertising agencies. The communications industry includes advertising and public relations, TV and radio broadcasting, book, magazine and newspaper publishing, telephone, telegraph and postal services, and libraries. In total, these communications industries employ more than 270,000 people in the city.

A. Current Practices

Number of companies interviewed: 12

	No Current Interest	Low-Level Interest	Active Interest	Program in-Operation
1. On or Near-Site Centers	8	2	2	0
2. Dependent Care Subsidies	7	1	4	0
3. Flexible Benefit Plans	6	4	2	0
4. Information and Referral (I&R)	6	2	3	1
5. Employee Seminars	4	2	1	5
6. Flexitime	2	1	7*	2
7. Flexiplace	11	0	0	1

*On a trial basis.

B. General Barriers and Incentives to Child Care Programs

Finding and retaining workers is not a problem in this industry, "We don't need inducements to get people to work here!" And salary scales are relatively high; the lowest entry-level jobs pay $6/hr or $210/week (compared with minimum wage of $3.85); and most companies' pay scales are in the top 25% of companies nationwide. Because the industry is so attractive, many people find entry-level jobs, work for a few years, and then go on to a more advanced position in another company or related field; therefore, these employers tolerate a much higher degree of turnover than do other industries.

In this climate, benefits tend to be less of an issue than in insurance, banking or some other industries. On the other hand, the businesses as a whole tend to be more progressive; they are staffed by younger managers, they are used to the erratic character of creative people, and employees tend to be outspoken and aware of their rights. Several employers said the equivalent of, "No one around here is afraid of speaking up."

Advertising and research are fields which have many female executives as well as support staff. The companies in the survey reported that they are receiving more requests from professional women and men with seniority to adjust work schedules. These requests are now being responded to on a case-by-case basis, but as each case is decided, a new policy is established. Even though the industry has women at many levels of responsibility, the work is not conducive to family life -- hours are long and erratic, there is considerable travel, and the prevailing ethic is to be available whenever the work demands. Employees with children find it hard to work on this basis and accommodations have to be worked out on both sides. These accommodations involve part-time work, more at home work, and, in some cases, job-sharing. A few companies allow women to bring their child to the office -- occasionally;

though they said the experience was generally disruptive to the office environment.

C. The Appropriateness of Specific Models for this Industry

1. On-Site or Near-Site Centers. Two of the communications companies interviewed said they are actively considering the possibility of establishing an on-site center or creating a consortium with other industries for a near-site center. Communications industries in Washington, D.C. have maintained such a consortium for over five years and the New York City corporations are considering something similar.[8] Current thinking leans toward the corporation helping to establish an independent, non-profit corporation which would administer the center and provide pre-school care as well as care for infants of employees and others in the neighborhood. Although plans began with enthusiasm, they seem to have slowed, primarily because of changes in management and the other problems associated with on-site centers.

2. Subsidies, Vouchers, Flexible Benefits. To overcome the problem of equity, the same corporations are considering offering the salary reduction version of a Dependent Care Assistance Plan (DCAP) as an adjunct to the on-site facility. These plans, too, are halted, until the IRS issues the DCAP regulations. Flexible benefit plans are considered attractive because they fit best with the changing character of workers. One communications executive said, "Our employees are well-compensated and independent. They prefer to make their own decisions on personal matters -- including both child care and benefits." However, without other strong incentives, these employers mention the "monumental wrenching" involved with a substantial change in the structure of benefits.

3. Information and Referral, Employee Seminars. The communications, advertising, research and publishing industries have sponsored more employee seminars than any other category of employers in our study. As a result, child care issues have been thoroughly discussed and management is aware of child care as an issue; although this has not yet resulted in more actual programs in operation. The trend that seems to be emerging is for these industries to be at the "Active Interest" stage in considering information and referral services as well as salary reduction plans.

Four corporations report that they have a women's committee that has been holding discussion groups on the subject of child care. Warner Communications has recently initiated an extensive seminar series as part of their employee assistance program. The seminars have allowed a number of important aspects of the child care problems of working parents to surface. One committee chairman said, "People don't volunteer information about their personal problems, but once you raise the issue, they respond -- boy, do they respond!"

The seminars at Warner's have also brought out the fact that parents are concerned about finding and paying for adequate child care, but they also have other problems:

* What to do when a child is sick and can't attend regular child care;
* What arrangements to make when children enter kindergarten for a half-day and need another form of day care before and after kindergarten as well as transportation to and from school;
* What to do when they work overtime or are frequently delayed and their day care center closes promptly at 6 or 6:30 pm;
* How to accomodate children in school who want different after-school arrangements for different days of the week; and

* How to find temporary arrangements during school holidays and summer vacations.

4. Part-Time, Job-Sharing, Flextime, Telecommuting. One personnel manager said, "Flextime doesn't work for us; we expect our employees to work more than 36 hours a week." Employers report that employee-relations problems do develop with re-arranged schedules and that people are concerned about what happens to their opportunities for advancement or to their career paths when they take leaves of absence or work part-time for several years; however, they also report that more professional-level employees have begun to ask for temporary child-care accommodations of this kind.

About telecommuting, one employer reported, "a lot of companies are looking at it, few are doing it on a large scale."

4. FINANCIAL AND SECURITIES INDUSTRIES

The financial and securities industries, while similar to the banks in structure, were among the least responsive of the service industries to the issue of employer-supported child care. Representatives explained that the people who enter the field at the professional level are entrepreneurial -- they don't expect the company to provide them with lifetime jobs or benefits, just the chance to make money.

It is also a high pressure industry. One company reported that since they began an employee counseling service six months ago, over 200 employees had utilized it - far more than they had anticipated or than even the outside consultants had expected!

Last year, 1982 was an excellent year for the securities industry which announced 1982 revenue of over $21 billion, 11% greater than last year. This gain reflects an unprecedented high in trading volume and steep jumps in stock and bond prices. The Securities Industry Association reports that in the past five years profits in the industry have risen 500%.[9]

Much of the industry's ability to handle large numbers of transactions is attributable to recent investments in communications and data processing procedures and equipment. These data processing jobs are primarily filled by women and there is a growing acknowledgement that absenteeism, lateness, and job-turnover may be related to family responsibilities. "The issues will come up more in the future in terms of productivity. Child care is a legitimate concern that households are contending with, and that affects us," said one personnel manager in one of the brokerage firms. There is also concern about job-turnover and ways to keep employees once they have been trained.

A. Current Practices

Number of companies interviewed: 5

	No Current Interest	Low-Level Interest	Active Interest	Program in Operation
1. On or Near-Site Centers	5	0	0	0
2. Dependent Care Subsidies	4	1	0	0
3. Flexible Benefit Plans	1	1	3	0
4. Information and Referral (I&R)	4	1	0	0
5. Employee Seminars	5	0	0	0
6. Flexitime	3	2	0	0
7. Flexiplace	2	0	2*	1

*On a trial basis.

B. General Barriers and Incentives to Child Care Programs:

The financial industry has traditionally offered bonuses; therefore, the benefits programs tend to be more rudimentary since they are not considered a major incentive to hiring or keeping workers. Nor does the financial industry see itself as a leader in this area, "Wall Street is usually 10 years behind the uptown corporations in benefits," commented one personnel officer in a securities trading firm..

Competition for good employees is developing as a major concern since employees seem to move from company to company with impunity. As one vice-president put it, "Wall Street is so concentrated that a person can go out to lunch, have four

interviews, and come back in an hour with a new job." Some companies utilize training and job advancement programs to keep employees -- others are beginning to look at better benefits programs. In this industry child care is being examined exclusively in terms of how it could benefit the company, especially in future hiring and retaining of female workers. "With women, the skilled ones are those we want to help. The clerical are not as important because they're not as skilled."

C. The Appropriateness of Certain Models for this Industry

1. On Site or Near-Site Centers. The major barriers seem to be space and will. For all the same reasons given earlier, the securities industries are not going to provide on-site centers. Because so many securities industries are in the Wall Street area, it might be conceivable for them to participate in a neighborhood child care consortium. This center wouldn't serve all of their employees with children, even if it provided scholarships for lower-income employees, but might be utilized by enough employees to make the center profitable. Nevertheless, our survey only found one company that had given it any consideration. One personnel manager said, "There aren't enough women high up in this industry to fight for it."

2. Subsidies, Vouchers, and Flexible Benefits. Four of the six companies interviewed said that benefits are determined according to what other industries in the field are doing. One manager said, "We'll follow the stream, if the others are doing it, we'd do so as well." Flexible benefit plans are under consideration in three of the five industries interviewed, but don't seem to have much urgency. Those interviewed speculated that it will be at least three or four years before such programs are instituted.

3 Information and Referral or Seminars. Companies didn't cite any specific barriers to these programs, nor did

they indicate that they were very likely to develop them in the future. One said that they were considered too "paternalistic" and "not the sort of thing these companies do."

4. Part-Time, Job-Sharing, Flexitime, Telecommuting - Hours in the securities industry are tied to the stock and commodities exchange so flexibility of hours is not feasible. Data processing functions operate 24 hours and many employees are on 12 hour shifts for three days with four days off. None of the companies interviewed expect these arrangements to spread to other divisions, but they did say that managers have the discretion to make their own arrangements within departments and many of them are willing to try to accommodate an employee with a child care problem for a short time.

One company reported that they were beginning to "toss-around" ideas about telecommuting and "cottage keyers." Many data processing functions don't need to be done at the central office; if they could work out supervision and management, they are willing to experiment with neighborhood or at-home processing centers that would make it easier for parents to supervise their children.

5. RETAIL AND WHOLESALE SALES/ FOOD AND HOTEL INDUSTRIES

In 1981 there were 583,000 people working in wholesale and retail trade and food sales in the city of New York; 230,000 in wholesale, durable and non-durable good sales and 353,000 in food stores, department stores, and eating and drinking establishments.[10]

There are two major unions that represent workers in these fields: the Retail, Wholesale and Department Store Employees Union (RWDSEU) and the United Food and Commercial Workers Union. Each is affiliated with the AFL-CIO and among them they represent over 100,000 workers.

The locals report that a majority of their members are women, and while they have had seminars and discussions about child care, the union has never demanded day care as a benefit because, as one official said, "Our members would rather have us negotiate for direct pay increases."

The majority of workers in sales qualify for publicly-supported child care, which many of them use. The New York State Department of Social Services recently analyzed the extent to which employees working in different types of businesses utilize the public day care system. Workers in Retail and Wholesale sales comprised 19.4% and Food and Hotel Services were 7.4%; together they account for over one-quarter of the workers using publicly subsidized child care.[11]

More than one-third of part-time working women are in food service and retail sales, even though the wage rate for part-time workers is 25 percent less than that of women who work full-time.[12]

Women have been in retailing for many years in both sales and executive positions. As a result, one executive said he believes this industry has adapted more than some others to the needs of working mothers. For instance, most retail businesses

have enlightened maternity leave policies -- a standard 8-week disability leave and up to a years' leave of absence without pay but with the guarantee that within one month of a woman's decision to return to work, she could have a comparable job to the one she left.

Work shifts can be arranged and assigned to fit a parents' schedule i.e. 8 am to 3 pm, or part-time from 12 pm to 4 pm, or a weekend shift. These typical shifts -- sometimes called "mother's hours" --allow a parent to be home to meet children after school or begin work once a spouse or relative has returned from another job.

Retail sales is an important training ground and launching point for other jobs and careers. Employees can enter with little or no previous work experience and either move up within the industry or move on to other jobs easily. We heard from several large corporations that they look for employees with experience in retailing because they can expect someone who is reliable and has received basic business training and experience.

FOOD AND HOTEL

"This is a hard business on family life -- family life is built on events that run contrary to our needs," stated the personnel director of one of the major food service companies.

The food and hospitality industry here is large and growing -- it employed over 300,000 people in 20,000 retail food or liquor stores and 17,000 eating and drinking establishments in 1981.[13] Food manufacturing and processing is big business in New York for two reasons: the large local market and the development of ethnic food specialities which sell nationwide -- such as beansprouts from Chinatown, or gefiltefish from Williamsburg. Baked goods are the most important of the food manufacturing industry, with approximately 100 wholesale bakeries. Meat

processing is handled by about 700 wholesalers, with the kosher meat industry the largest segment. However, food processing is declining as more and more processing is done closer to the farms where the foods are actually produced. Most of the industry is unionized.

The fast food companies continue to increase (McDonalds has 220 franchises here) and is a staple source of teenage employment. Crew salaries start at $3.40/hour; managers start at $12,000 a year and can go higher. Supermarkets and grocery stores are also important because of the many entry-level jobs they provide and for the business experience and training employees receive.[14]

New York City has approximately 300 hotels, most of them in midtown Manhattan and catering to tourists and business travelers. The New York City Tourist Bureau reports that the hotel business is doing better than ever -- New York attracted a record 16.9 million visitors in 1982.[15]

The food and hotel industry differs from retail and wholesale sales in that the hours are generally more erratic with more evening and night shifts; although both employ significant numbers of women and part-time workers.

These hours may make it possible for parents with children to work, but they disrupt family life and are very hard on the worker. For instance, even though the family income of many odd-shift workers would qualify them for publicly-supported child care, there are no 24-hour or weekend services as part of the publicly-administered day care system. A 1973 survey by the Day Care Council reported that, of the night shift workers in their study,

* none used organized group care arrangements;
* of the total group surveyed, they were the most dissatisfied with their present child care arrangements; and

* most of them did not know whether there were organized group care centers in their neighborhoods.16

A. Current Practices

Number of companies interviewed: 9

	No Current Interest	Low-Level Interest	Active Interest	Program in Operation
1. On or Near-Site Centers	8	1	0	0
2. Dependent Care Subsidies	8	0	1	0
3. Flexible Benefit Plans	8	0	1	0
4. Information and Referral (I&R)	7	0	2*	0
5. Employee Seminars	9	0	0	0
6. Flexitime	9	0	0	0
7. Flexiplace	N.A.**	N.A.	N.A.	N.A.

* The personnel office tries to help employees find or register for child care on an occasional, case-by-case basis.
**Not Appropriate for this industry

B. General Barriers and Incentives to Child Care Programs

Employers report that the main employee-relations issues are recruiting and training. It is an "employers market" -- from 60-70 people who make written application, 15 will be interviewed and two people will be hired. Turnover can run between 50 and 100%. In some parts of the food industry, particularly supermarkets, one-hundred percent turnover per year is not unusual. This turnover is mostly among part-time workers who constitute 60% of the workforce. The employers interviewed for this study said that child care isn't cited very often as a problem, but that the daily hassle of making arrangements for children may contribute to the problems they do experience with employees. These are: 1) workers with poor motivation, 2) workers with poor business practices (arriving late or not at all), 3) workers who do not like working. For many people this is their first job and adjustment is difficult, yet the industry provides few employee assistance programs or specialized services.

Several employers reported that their employees were "harassed" by the public child care system -- they are frustrated by long waiting lists and frequently come to the personnel office because they need time off to go register or be interviewed for child care services.

More employers in this industry than in any other stated that they do not believe the company should ask or know about employees' child care arrangements, "It's not any of our business."

C. Specific Options

In general, the survey found significant barriers and a general lack of interest in the subject of employer-assisted child care within this industry to the degree that there is no

point in discussing the various options in detail. Two employers said that although they had never investigated where child care centers were located in relationship to their operations, they would like to know such information -- especially for Spanish-speaking employees. Subsidies as a benefit are dismissed because they discriminate against people without children and all such benefits are part of the total package negotiated with the unions. On-site centers aren't suitable for the different locations and flexible benefits are "not feasible" now -- they are "terribly involved, expensive. and place a heavy demand on management time." Flexitime and telecommuting are unsuited to the nature of the work.

6. HOSPITALS AND HEALTH SERVICES

In New York City, as in most of the rest of the country, hospitals and the health services industry are the most frequent providers of employer-supported child care. Three major factors seem to motivate this interest:

1) There is a severe shortage of nurses.* The nursing shortage is so acute here, that in some hospitals they are recruiting nurses from the Philippines and other parts of this country where there is a surplus.

2) Hospitals are in business 24 hours a day. Since child care is especially difficult to find in the evenings, weekends, or early morning, a hospital that can provide this service becomes attractive as a place of employment and has a competitive edge over other forms of non-hospital based employment for nurses.

3) More than some of the other unions, the New York Registered Nurses Association has been pressing hard for child care feasibility studies and on-site child care centers. Three hospitals in this study mentioned that a feasibility study of child care has been agreed to as part of the most recent union negotiations. The Association also has been especially creative about ways to offer nurses restructured hours, like weekend shifts, without exploiting employees or making it too costly for employers.

There are over 100 hospitals in New York City. Some, such as Morrisiana and Harlem, are municipal hospitals, run by the city's Health and Hospitals Corporation. Others are voluntary hospitals (private, non-profit) such as Mount Sinai and Beth

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*Even though there are 1.7 million nurses in the labor force, more than ever before, the fact that people are living longer and require 5 times more nursing care after 65, means that the supply is still insufficient.[17]

Israel. The rest are proprietary or profit-making, and tend to be smaller institutions.

In 1982, there were 34,887 people employed in the nursing professions in New York State, including registered nurses and other professional and technical employees like dieticians, licensed practical nurses, occupational therapists and physical therapists. One-fifth of the professional and non-professional workers were in establishments providing limited nursing and health-related care (not hospitals); and two-fifths of the workers were on other than 35-hour work schedules.

New York has the largest proportion of union workers among non-professionals in the health field (slightly under 9 out of 10) and by far the largest among professional workers (4 out of 5). Pay levels in nursing and personal care in the New York metropolitan area are the highest in the country. Employees who are members of District 1199 (the union which represents many of the service, maintenance, clerical and technical employees in the health fields) earn a minimum salary of $190 a week.

Registered nurses, many of which are members of the New York Registered Nurses Association (which is not a union but does act as a bargaining agent) are hired on a scale which takes previous experience into account; the minimum salary is $13,609 a year. Those with a B.S. earn an extra $300 a year and those with an M.S., an extra $600.[18]

The 1978 Labor Research Report for New York City 1974-1985 projected substantial demand in the 1980's for professional and technical medical workers, "The greatest number of job opportunities will be for registered nurses (2,323 new openings yearly) and physicians (1,301 openings yearly). Other medical occupations with significant numbers of predicted openings were clinical laboratory technologists and technicians, therapists, and dentists."[19]

A. Current Practices

Total number interviewed: 8

	No Current Interest	Low-Level Interest	Active Interest	Program in Operation
1. On or Near-Site Centers	0	2	3	3
2. Dependent Care Subsidies	7	0	1	0
3. Flexible Benefit Plans	5	2	1	0
4. Information and Referral (I&R)	7	0	1	0
5. Employee Seminars	6	0	2	0
6. Flexitime	0	0	3	5
7. Telecommuting (Flexiplace)	N.A.	N.A.	N.A.	N.A.

B. General Barriers and Incentives to Child Care Programs

In New York City today, there are three good models of hospitals providing child care. Each hospital runs a slightly different program representing an accommodation to difference circumstances:

1. Bellevue Hospital in Manhattan provides limited administrative support to the Bellevue Child Care Center which is a publicly-subsidized center that also receives free rent from Phipps Housing. This extra support allows the center to provide high-quality child care at fees accessible to middle-income parents ($65-$70/week). Hospital employees are

given a reduced rate at the center (as are families in Phipps Housing). The director of the center states, "We couldn't provide the quality of care we do without Bellevue. What they give us is of minimal cost to them, our needs are absorbed within their existing facilities budgets, but to us it makes all the difference in the world in the margin of extra service we can provide."

2. Bayley Seaton Hospital on Staten Island has contracted with a proprietary organization, WEE CARE, to provide an on-site program for 45 children. Bayley Seaton is one of the few hospitals in the city with extra space available and they are located in an area where most employees drive to work rather than use public transportation. This makes an on-site center more attractive to parents. The hospital is also new to the area as a community hospital (for years it was a federal hospital, serving mostly veterans and federal employees); a secondary purpose of the child care center is to offer an unusual service that brings the hospital publicity and an image of community-service. The hospital subsidized the program from its inception until it reached the point of profitability (45 children), a period of five months; since then the day care program has been self-sustaining.

3. Montefiore Hospital in the Bronx was having a problem attracting and keeping nurses, but did not have any additional space. In fact, the hospital is planning a building program to begin next year and has already eroded community relationships by taking over homes and buildings in the neighborhood to serve the hospital. A private child care center within the hospital complex had a waiting list of over 500 families, many of whom were hospital employees. The hospital was therefore aware of a demand for child care among their existing employees, in addition to how effective it might be in attracting new nurses.

Montefiore addressed its problem by providing funding to a local organization to create a network of family day care providers in the local community surrounding the hospital. Last fall, the hospital entered into a contract with Future Nurture Consultants, a local teacher-training agency, to train 40 people to be home child-care providers. Future Nuture Consultants recruited an initial group of 20 women from 500 applicants. These women received 40 hours of training in child development, running a small child-care business, utilizing local resources, and health and tax regulations from the training agency. They were then certified by the agency and agreed to provide exclusive service to the hospital employees. Individual providers can make arrangements for the hours -- ranging from four hours to eighteen hours of care -- depending on the nurse or hospital employee's own schedule. The hospital also provided a revolving loan fund so providers can borrow the money they need to bring their facilities into compliance with the city health code and buy needed equipment like cribs and toys.

By March, 1983, 45 parents had enrolled 50 children in the family day care homes supervised by Future Nurture Consultants and 20 additional family home care providers are now being trained. The program has required careful ongoing attention and supervision by a staff person from the hospital in order to introduce the parents and child care providers to each other and establsh trust between them.

This program helps address a significant need regarding child care in New York City. The majority of children (pre-school and after-school) are cared for in family day care homes, not in child care centers. Many parents like the home-like setting, convenient locations and more flexible hours that family day care offers. However, because most family day care is unlicensed, it is also unsupervised by outside agencies and providers receive little training in child care, nutrition,

and business practices, nor do they have the benefits of being part of a network for services (like bulk food purchases or help in locating potential users). Those homes that are licensed are either part of the publicly-subsidized system or members of one of the networks of family day care homes organized and supervised by a neighborhood group like Future Nuture Consultants; however, there are few such groups and little funding available to pay for their work with family day care providers. For a business like Montefiore Hospital to initiate a program with family providers through Future Nuture is an innovative and potentially rewarding form of community-building that other companies or groups of companies, especially in the outer boroughs might emulate.

Each of these three different forms of hospital child care assistance programs has the following features in common:

- A new Chief Executive Officer was recently hired and given the task of improving the hospital's operating system and image; this officer supported the idea of developing a child care program;
- The hospital needed to attract and keep nursing staff, and
- They wanted to enhance the hospital's image and spread information about the hospital and its services within the community.

Each hospital used one or two outside consultants or agencies in the planning stages. They also considered and rejected other alternatives to the on or near-site models described above.

Those interviewed reported that information and referral programs would not solve the problem for nursing staff -- many existing centers are filled or do not provide care during the hours that nurses need them. (The Montefiore program is the

only one of the three models currently capable of providing service at odd hours). Similarly, subsidies, vouchers or scholarships are not seen as effective for the hospital s purposes. One official explained that nurses already receive a range of fringe benefits. The problem is that salaries outside the hospital setting for registered nurses are so much better that they erase the financial advantages of the fringe benefits the hospitals provide. The challenge for the hospitals has been to find a form of child care assistance that provides an extra degree of convenience (like location or flexible hours) that tips the balance in their favor.

At least four other hospitals among those surveyed are seriously conducting studies of how to provide the hospital staff with on or near-site child care services most efficiently.

7. UTILITIES

There are three major utilities in the city -- Consolidated Edison, New York Telephone and Brooklyn Union Gas. Between them they employ approximately 70,000 people. There are 7 unions that represent telephone company employees; 2 that represent Con Edison, and 2 representing Brooklyn Union Gas employees.

All three companies reported they have extensively investigated the possibility of offering child care as an employee benefit. Their strongest motivation at this time is to provide a service to employees and to boost morale, rather than because they believe it would directly improve productivity. Although, telephone company executives stated that reducing turnover would be an important objective, especially among clerks and customer-service employees.

Representatives of Brooklyn Union Gas said that child care has been mentioned in the past two union negotiations, but has always been dropped as a negotiated item. Management said they plan to study the issue and be prepared with a suitable response for the next round of negotiations, two years from now.

A. Current Practice

Number of Companies Interviewed: 3

	No Current Interest	Low-Level Interest	Active Interest	Program in Operation
1. On or Near-Site Centers	2	0	1	0
2. Dependent Care Subsidies	1	2	0	0
3. Flexible Benefit Plans	1	2	0	0
4. Information and Referral (I&R)	1	0	1	1
5. Employee Seminars	0	3	0	0
6. Flexitime/ Rearranged Hours	0	1	2	0
7. Flexiplace	0	3	0	0

B. General Barriers and Incentives to Child Care Programs

Interviewees at all three utility companies raised the concern that by giving attention to child care, the company would be intruding into private aspects of workers' lives. The utility companies also stated that they are facing constant and debilitating increases in the cost of health insurance, exceeding the national rate of inflation by 20%. With these high costs, they have trouble even considering adding a new benefit like child care.

Officials at Con Edison pointed out that companies like themselves, trying to weather the current economic recession,

concentrate on making savings in the most expensive parts of their operation. For many companies fuel costs are 63-67% of revenue, labor only 13%; therefore, the emphasis is on finding ways to save money in fuel, not in labor. In this context, a child care program, even if it promises to reduce training costs or increase productivity, is not attractive as a way to improve business operations.

The utility companies report that lateness and absenteeism are not major problems and flexitime is not an appropriate program for a business that provides public services.

The telephone company is in the midst of major reorganization so that other issues are not receiving attention at present. Once it has been divided into smaller companies, issues like a flexible benefits program or other programs to enhance employee satisfaction might be considered.

Hiring and training women to meet affirmative action guidelines is a strong motivation within these organizations. To the extent that a child care program could help attract and keep trained female employees, executives would consider it an incentive.

C. The Appropriateness of Specific Models for This Industry

1. On or Near-Site Center. The utilities recognize that the most important benefit of an on-site center would be that parents could be near their children during the work day. However, all three corporations have not taken action on the idea because of their multiple locations and the concern that those parents who chose not to use the center would feel left out of an important benefit. However, Con Edison is still exploring various voucher programs to provide child care at existing community-based centers and is currently considering participating in a consortium with other employers at one of their major locations.

2. Subsidies, Vouchers, Flexible Benefits. Brooklyn Union Gas reported that interest in child care as a benefit is so high that it may precipitate more serious consideration of flexible benefits. The barrier to flexible benefits is primarily a concern about the costs of administrative time and effort. Those in charge of benefits feel that putting a cafeteria-style plan in place would involve, in addition to a sophisticated computer program, an extraordinary amount of time to enter employees in the program and to explain their options to them. The Personnel Offices especially appreciate the administrative problems flexible benefits could generate. They report that employees don't read information carefully and they anticipate being beseiged by questions and confusion if such a system were to be installed.

3. Information and Referral. New York Telephone has a child care information and referral program within the Employee Assistance Bureau. They receive about 25-30 calls per month about child care problems.[20] The officer in charge reports, "The need is terrific; there are so few available spaces, people are desperate." The other two utilities are considering I&R services, but haven't yet determined that there is strong enough demand from employees.

4. Flexitime, Part-Time, and Job Sharing. The officials we spoke with said that there is no overall policy to either encourage or discourage such arrangements; department managers can make individual arrangements that work for them. However, employees reported that the companies are very rigid about enforcing the policy that employees be on time. This causes hardships especially for those parents whose children are in centers that do not open before 8 am, since many of them must travel on public transportation and arrive at work by 8:30 or 9.

8. MANUFACTURING

For over fifty years, New York City has been the country's major manufacturing center. It retains that distinction even though over 600,000 manufacturing jobs have been lost since 1947 as companies have closed or moved to other areas. Yet, there still are over 24,300 manufacturing establishments in the city providing 483,000 manufacturing jobs. Over 98% of the remaining firms have fewer than 250 employees. The major factory concentrations are in Long Island City, Manhattan's garment district and Chinatown; although there are manufacturing operations located in all boroughs, drawing employees from the surrounding neighborhoods. Approximately 44.2% of the manufacturing employees are women, with higher concentrations in apparel manufacturing (66.5% women) and textile mill production (57.4% women).

Much of the recent job loss in New York State has been in traditionally unionized manufacturing. From 249,000 apparel industry jobs in 1970, the state is now down to 165,000 "official" jobs.[21] Apparel manufacturing has received most of its competition from the Far East and the Caribbean where wages are unconscionably low by our standards (wages for a seamstress in Taiwan are about $3.00 per day, in Jamaica they are $1.50/hour). Garment workers are represented by the Amalgamated Clothing and Textile Workers Union and the International Ladies Garment Workers Union.

There is, a substantial "underground" apparel manufacturing industry that employs new immigrant women, many of whom are illegally in the country. These workers are paid below union wages and obviously will not organize or demand higher wages because of fear that authorities would discover their illegal status. These women are reported to work 10 hours per day for wages of $.01 per button or $.60 - $2.00 per blouse (union wages are $4.50 per hour and it takes two-three

hours to make a blouse.). Those who do "industrial home work," earn $15 - $20/day.[22]

A. Current Practices

Number of Companies Interviewed: 10

	No Current Interest	Low-Level Interest	Active Interest	Program in Operation
1. On or Near-Site Centers	6	1	3	0
2. Dependent Care Subsidies	10	0	0	0
3. Flexible Benefit Plans	9	0	1	0
4. Information and Referral (I&R)	5	4	1	0
5. Employee Seminars	10	0	0	0
6. Flexitime	3	0	7	0
8. Flexiplace	N.A.	N.A.	N.A.	N.A.

B. General Barriers and Incentives to Child Care Programs

The manufacturing firms interviewed for this study indicated that lateness and absenteeism are big problems for them since their productivity depends on a specific number of workers being "on-line." Three companies (those with the most stable financial situations and a majority of female employees) said that they are seriously considering establishing an on or near-site child care center as a service to employees and because it might help eliminate problems of lateness, absenteeism, and turnover.

A recent study of a Boston manufacturing firm conducted by Child Care Systems of Cambridge, Massachusetts, produced the following statistics about the problems child care presents to manufacturing employees:

- 45 percent reported being late for work or having to leave work early because they couldn't find child care;
- 34 percent missed days at work because their child care arrangements fell through;
- 45 percent missed days at work because they couldn't arrange for adequate child care;
- 75 percent worried about the reliability of their present child care arrangements.[23]

Manufacturing industries operate on a low profit margin and the present economic conditions have increased their need to reduce current operating expenses. Speaking of a child care subsidy, one employer said, "We wouldn't be interested if it cost 5 cents more."

However, the smaller manufacturing corporations, which do not have the many tax write-off options of large, national employers, are interested by the prospect of additional tax-incentive for child care programs. Five firms said they had participated in state programs that give tax advantages for hiring people from certain groups -- minorities, youth, the handicapped and others. Most reported that they were satisfied with the employees they hired through these programs and had realized substantial savings -- in one case, ten thousand dollars in taxes in one year. They expressed interest in the possibility of a tax advantage for child care assistance -- especially for the cost of planning, capital construction, and ongoing maintenance costs for an on or near-site child care center. Employers were concerned, however, that the cost of

running a good center on-site would require either fees beyond the reach of their employees or on-going subsidies beyond the company's reach.

C. The Appropriateness of Certain Models

1. On or Near-Site Centers. Of three firms in this group considering an on-site center, one had hired architects to prepare a construction estimate in preparation for union negotiations a year ago. The estimate they received for renovating a warehouse into a center for 50 children was $500,000. The union demand for a child care center was subsequently dropped in favor of a 50% increase in medical benefits because the union thought that would be a more popular outcome for members. Had the corporation been investigating child care assistance on their own, they might have considered other, lower cost options including building a center in cooperation with other companies in the area, finding ways for existing child care centers in the neighborhood to take employees' children at earlier (or later) hours and working with a local organization to train neighborhood family day care providers who would then take employee's children on an exclusive basis.

Two companies said they were going to be enlarging their physical plants in the next year and were considering what it would entail to add a child care facilty at that time.

The manufacturing firms say their principal objectives would be to increase the supply of low-cost child care near the plant and to make it available during hours their employees could utilize. The majority of their workers come from areas, where there is a shortage of facilities. More important, the hours of the child care centers don't mesh with the company's shifts -- most manufacturing hours are 8-4:30 and publicly-assisted center hours are 8-6. As one executive said,

"Those hours are useless to us, our employees still need to make arrangements for someone to keep the children until the center opens."

They are also concerned about the few options their employees have for child care after school and during the summer; they would like to be sure their support would cover employees who have these needs. One employer reported their employees could pay between $40-$50/week for child care. He said they might consider other options to the on-site model; for instance, a consortium with other corporations or an information and referral service if there were tax advantages in providing this assistance.

2. Subsidies, Vouchers, Scholarships. These benefits are negotiated with the union and the companies don't consider providing such benefits on their own.

3. Information and Referral. Three companies reported that they would be in favor of a city-wide information and referral system for child care and might contribute to it on behalf of their employees. Two personnel officers at manufacturing firms in the boroughs said they would like to have information on-hand about available centers in the area.

4. Re-Structured Hours, Job-Sharing, Flextime. One company reported that one of their subsidiaries, a manufacturing firm in Illinois, has been approached by a group of neighborhood women who proposed a "working mother's shift" from 9-3 (the regular plant hours are 9-5) that the company has now adopted. No company in this survey mentioned that they are considering new hours for shifts; although several stated that the present shift system seemed to allow parents to alternate hours so one of them could be home with the children.

9. EDUCATIONAL AND NON-PROFIT INSTITUTIONS

A wide spectrum of institutions has been included in this category. They range from small agencies providing the city with social services, to the United Nations which employs over 6,800 people. Since, by definition, non-profit institutions have an edcational or charitable purpose, it is in line with their "business" to consider and respond to social issues like child care. Colleges and universities have the added advantage of being able to offer students to work or conduct research in on-campus child care centers. A recent New York Times article reports that some form of child care is offered on nearly 40% of all two and four-year college campuses in the country.[24]

A. Current Practices

Number of Companies Interviewed: 7

	No Current Interest	Low-Level Interest	Active Interest	Program in-Operation
1. On or Near-Site Centers	3	2	2	0
2. Dependent Care Subsidies	2	1	3	1
3. Flexible Benefit Plans	4	3	0	0
4. Information and Referral (I&R)	5	1	0	1
5. Employee Seminars	4	3	0	0
6. Flexitime	0	1	5*	1
7. Flexiplace	5	2	0	0

* Includes companies that have re-arranged hours but not necessarily to respond to the needs of working parents.

B. General Barriers and Incentives to Child Care Programs

Non-profit institutions encounter all the same problems of equity and cost that profit-making institutions do when they consider offering child care assistance to working parents. However, their incomes are even more inelastic and those that operate on city or state funds have almost no flexibility to hire a child care center director or someone to oversee a family day care network.

C. The Appropriateness of Certain Models

1. On-Site or Near-Site Centers. An on-site center, is being planned at two institutions and could be implemented soon. In both cases, unique characteristics of the institution have been the determining factor in favor of an on-site center. At this stage in planning, neither institution wants to be mentioned by name because negotiations aren't yet final. Therefore, it is impossible to go into more detail about the process the institution went through in deciding on this alternative and the factors that were considered. It is worth noting that both organizations conducted a feasibility study to determine need, both are negotiating for space for the center in circumstances where finding and allocating available space is difficult and both have been substantially motivated by requests from employee committees.

2. Subsidies, Vouchers, Flexible Benefits. Non-profit and education institutions have the barrier of rigid funding situations that make additional benefits unlikely, if not impossible. However, they have the incentive of a strong social-service orientation and employees who are likely to prompt the company to institute a child care benefit. Right now, dependent care assistance programs involving salary

reduction are being considered in three organizations but progress is slow because of the previously mentioned lack of Internal Revenue Service regulations.

3. Information and Referral, Employee Seminars. None of the institutions surveyed showed interest in these services, primarily because employees haven't indicated a need. Those that did, said they would not try to offer these services themselves, but might "buy into" a service depending on the cost and comprehensiveness of the assistance they offered.

4. Part-Time, Flexitime, Job-Sharing, and Telecommuting. Part-time work is an appealing structure for educational institutions. It allows them to utilize a wide variety of people with expertise without paying them all full benefits. (In some institutions part-time workers receive pro-rated benefits, in some they don't receive vacation benefits or pensions but are eligible for health coverage.) Job-sharing is a trickier arrangement to make, since people must be found with comparable skills, the ability to communicate with one another, and opposite schedules. Most companies said they are willing to experiment with a job-sharing arrangement that employees have worked-out; but few suggest the alternative themselves or feel competent in trying to create such an arrangement on their own.

10. MISCELLANEOUS

Ten of the eighty corporations interviewed as part of this study are in fields that do not fit the other classifications. They range from the large oil companies to small law firms. They are included because we wanted to be sure that by limiting the study to major industry groups we were not overlooking an area or perspective that did not appear elsewhere.

A. Current Practices

Number of Companies Interviewed: 10

	No Current Interest	Low Level Interest	Active Interest	Program in-Operation
1. On or Near-Site Centers	9	0	1	0
2. Dependent Care Subsidies	7	0	3	0
3. Flexible Benefit Plans	7	0	2	1
4. Information and Referral (I&R)	9	0	1	0
5. Employee Seminars	10	0	0	0
6. Flexitime	3	0	5*	2
7. Flexiplace	8	1	1	0

* Includes companies that have rearranged hours but not necessarily to respond to the needs of working parents.

B. General Barriers and Incentives to Child Care Programs

Hewitt Associates has already been mentioned as having one of the oldest and most innovative approaches to flexible benefits -- a flexible benefits program that reimburses employees up to $1,000 for four categories of expenses, including dependent care. They also notify employees that they are eligible for a tax credit for dependent care expenses not reimbursed under the program and provide a year-end statement for tax purposes showing the amount of reimbursed child care expenses the company provided. They report that out of 800 employees across the country eligible for the flexible benefits program, only 3% have used the dependent care option; however, those who have, have used the total amount for their day care expenses.

Hewitt Associates reports that their program was developed to be innovative and because they believed it would be a value to employees. They also believe that the total cost of their benefits program has gone down since the flexible benefits program was instituted and they know that the public relations value both with employees and outsiders has been very high.

For the major oil companies interviewed, equity is a major concern. They say that equity is a major concern of their unions and any benefits policy has to apply to workers all across the country. This would preclude providing on-site services or contributing to a fund on behalf of employees in one, or even a few, cities. Other barriers are that the employee population is either too young (single people) or too old ("we are long-term employers"); they have no current employment problems and no pressing need to attract employees. Finally, interviewees stated that this issue has to go over many "psychological hurdles." These companies have benefits policies based on traditional ways of thinking about employees and their needs, ties to old concepts would have to be broken

before child care could become an accepted area for corporate responsibility.

SMALL BUSINESSES

Over 48% of workers in New York city are employed in companies that have fewer than 100 employees.[21] The small companies interviewed for this study have been included within their industry groups, but because so many workers are affected, some of the particular incentives and barriers of small businesses are described below.

In general, small companies do not have viable options for providing child care support. They cannot consider establishing an on-site center, although three said they might participate in a consortium if one were being organized in their area and if there were tax advantages in doing so. All of the companies interviewed said that they cannot allow flexible hours on a regular basis because employees are needed at specific times.

The only realistic option small companies have to provide child care assistance on a systematic basis would be through flexible benefits -- especially if they developed a Dependent Care Assistance Plan utilizing salary reduction. Seven of the eleven small companies interviewed said they would consider this option; three said they were already aware of this program and were contemplating it for the future; it was a new possibility to the other four.

Small companies do have the advantage of personal rapport. "We're like a family," is a frequently given description and often adjustments can be made for child care difficulties or emergencies. In one small services firm, one of the owners now has a small child:

> I bring my baby to the office because I own the business. Now, in this office, that's the policy; they can bring children in. Since the baby's born, I don't come in from 8:30 - 9:00.

11. UNIONS

New York City traditionally has had a highly unionized workforce. Areas where unions are well-represented include the garment industry, health care, construction, printing, transportation, hotels, restaurants, and government. Major national unions with headquarters here include the Amalgamated Clothing and Textile Workers Union, the International Ladies Garment Workers Union, and the American Federation of Musicians. There are also over one hundred local unions, among them are the Hotel Trades Council, Building Trades Council, District 37 of the Municipal Workers, Local 3 of the Electrical Workers, 1199 of the Hospital Workers Association, and the United Federation of Teachers. Most of the locals are affiliated with the AFL-CIO through the New York City Central Labor Council. The Council is chartered by the national AFL-CIO, and represents 425 locals here with about 1,200,000 members. There also are some indepenaent unions not affiliated with the AFL-CIO; including the Teamsters and the United Auto Workers unions. In recent years overall union membership here has been stagnant, largely because manufacturing and municipal employment have been in decline.[25]

Dana Friedman in Encouraging Employer Support to Working Parents, says of the relationship between unions and child care,

> Unions are losing membership largely because they are concentrated in the older, dying industries. Until recently, they have not focused on the technical workers, white-collar workers or women -- the three fastest growing groups of employees -- as well as those working in our growth industries. Therefore, little pressure for family benefits has been exerted by the unions or prompted by management in unionized companies.

The lack of pressure from the union is also attributable to a 20 percent female union membership. The male-dominated union leadership and rank file have not pushed for child care concessions at the bargaining table. The Amalgamated Clothing and Textile Workers Union has the highest female participation and is one of the only nonpublic unions with on-site child care (five centers since 1979) (none in New York City).

A. Current Practices

Number of unions interviewed: 5

	No Current Interest	Low Level Interest	Active Interest	Programy in-Operation
1. On or Near-Site Centers	4	0	1	0
2. Dependent Care Subsidies	5	0	0	0
3. Flexible Benefit Plans	4	0	1	0
4. Information and Referral (I&R)	5	0	0	0
5. Employee Seminars	3	0	0	2
6. Flexitime	4	0	0	1
7. Flexiplace	N.A.	N.A	N.A.	N.A.

B. General Barriers and Incentives to Child Care Programs

There are substantial differences among unions in their response to the issue of child care, determined by the characteristics of the industries in which they operate. For instance, it has already been mentioned that the New York State Nurses Association has been a leader in negotiating for rearranged hours that accommodate both the needs of hospitals

for 24-hour coverage and the needs of the nurses for predictable, non-exhausting schedules. However, most other unions are cautious about rearranged hours because they run the risk of circumventing the intent of contracts. The attractions and barriers of re-arranged hours from the union perspective are described in a recent publication of the American Federation of State, County and Municipal Employees (AFSCSM), "Alternative Work Patterns":

> Despite some advantages of alternative work schedules the union should proceed with caution. If used properly, alternative work schedules can have positive results; nevertheless, there are pitfalls and the potential for abuse. Therefore, a local union considering an alternative work pattern should carefully weigh the pros and cons discussed in this booklet before a change is instituted.

A companion publication of AFCSME, "Negotiating About Child Care: Issues and Options" suggests these three possibilities that locals might negotiate for:

* Time off for family emergencies
* Parenting leave
* Child care information and referral services

Union officials say child care programs in New York City have been limited for the following reasons:

* Child care is a benefit that only some of their members could want or use. Three unions said that the majority of their members do not have young children or children in need of after school care because the average age of union members is rising.
* Given the current economic situation, unions believe their members want them to negotiate for more substantial and pressing issues surrounding wages and job layoffs.

* Unions face the same barriers of multiple locations and equity of treatment as companies do when they consider opening their own on-site centers. The National Employer Supported Child Care Project identified six child care centers in other parts of the country run by some of the unions with locals here in New York City although none has been initiated here yet.
* Union benefits funds are already strained by the costs of medical, dental, vision and other benefits; there is not sufficient money available to reallocate to child care services.

C. On-or Near-Site Centers

The International Ladies Garment Workers Union Local 23-25 has taken the lead in New York City in planning a day care center for its members that will be funded by a clothing industry association rather than by either the union or one particular company.

The local's interest in providing their members with child care service began over three years ago when they conducted a general survey to learn the issues of most concern to members. Through a questionnaire they found that among their current members, 2/3 of whom are Chinese and 15% of whom have children in the 3-5 age range, finding reliable child care was their most pressing problem. Since about half of the members also live and work in the Chinatown district of New York City,* the local began to think of establishing a day care center there. During the 1983 collective bargaining process between the union and the association of contractors with whom they bargain, the

*Members in other boroughs tend to live near transportation that is easily accessible to Chinatown where they work.

need for a child care center was presented and it was agreed that the center would be considered in a post-agreement discussion.

Plans for a child care center in Chinatown for children of garment workers are now quite advanced. The plan is for the association to be responsible for establishing a center for approximately 65 children by raising funds from members. To do this, the association will establish a Board of Trustees which will, in turn, raise the funds, renovate the space and hire the center director. The union has agreed to raise additional funds from the major manufacturing companies that hire the contractors, which are the associations' members. Because most of the families using the center would be eligible for publicly-subsidized child care, the Agency for Child Development is interested in the project and is working with the union to develop a system whereby they could provide some subsidy for the cost of care; the union also hopes the city will provide rent-free space in a suitable building in the Chinatown area. Current plans are for a center to open by the fall of 1983.

There are two other initiatives underway in New York City to establish day care centers; while these initiatives are not primarily union-based, they do include union participation. The Comptroller of the City of New York has taken the initiative to create a day care center for municipal employees who work in downtown Manhattan. Plans have advanced to the point where the center has an administrative structure in place with a Board of Trustees that includes representatives from the Communications Workers of America and District Council 37. Consulting services have been provided by the Pre-School Association with funding from the Fund for the City of New York and the New York Foundation. The center is currently scheduled to open in September, 1983. There will be spaces for a total of thirty children and, so far, the center has received fifteen applications.

The New York City Department of Probation has provided the leadership to develop a similar program for municipal workers in downtown Brooklyn. A group of city agencies and appropriate unions, including the City Council President's office, the Board of Education, Department of Probation, Department of Corrections, and District Council 37 will be collaborating to create the center. The Pre-School Association is providing technical assistance and the Agency for Child Development is also providing assistance and liaison.

D. Other Initiatives. There is scattered activity among unions and other city offices to investigate a number of other child care assistance options:

* District 37, which already supplies members with a variety of consultation and referral services, is currently investigating how they might develop a child care information and referral service for members.

* The Mayor and City Council President's Offices are working together in planning a needs assessement in the fall of 1983 to find out about municipal workers' needs for infant care in downtown Manhattan.

* The Coalition of Labor Union Women (CLUW) is continuing to encourage both on-site child care centers and information and referral programs through their publications and meetings.

Two unions in our interviews also reported that they have held meetings for members on the subject of finding child care but have not gone much further in evolving programs that offer more concrete assistance.

FOOTNOTES - Chapter 3

1 Friedman, Encouraging Employer Support, op. cit, p.7.

2 "The Regional Economy: 1982 Review, 1983 Outlook for the New York-New Jersey Metropolitan Region." The Port Authority of New York and New Jersey, Regional Research Section, Regional Development Division, Planning and Development Department, March, 1983, p.7

3 Damon Stetson, "U.S. Officials Sees New York City Vulnerable as Economy Picks Up," New York Times, May 10, 1983.

4 Child Care and Equal Opportunity for Women," United States Commission on Civil Rights, June, 1981, Clearinghouse Publication No. 67, figures from the U.S. Department of Labor, Bureau of Labor Statistics, U.S. Working Women: A Databook (1977), p.9.

5 Friedman, Encouraging Employer Support, op. cit, p.97.

6 Data from New York State Banking Association

7 Kathryn Senn Perry, "Child Care Centers Sponsored by Employers and Labor Unions in the United States," U.S. Department of Labor, Office of the Secretary, Women's Bureau, 1980, p.7.

"Some problems causing centers to close include the escalation of subsidies to amounts greater than the employer is willing to provide, a discrepancy between number of child care slots provided and the number needed by employees, administrative problems in running the center, and need for use of the facility in other capacities."

8 Dana Friedman, "Child Care in the 80's - Reaching Out to Business and Labor," Child Care Information Exchange, #9 Employers and Child Care.

9 Tim Carrington, "Securities Firms Pre-Tax Profits Set High of $970 Million During the Third Quarter," The Wall Street Journal, December 1, 1982, p.14.

10 County Business Patterns, U.S. Department of Commerce, Bureau of the Census, New York, CBP-81-34, 1981.

[11] Final Report of the Joint Task Force on New York City Child Care," Human Resource Administration, 250 Church Street, New York, New York 10013, p.35. The report projects the following usage from a sample of 408 families:

Categories	Percentage of Total Users	Projected Number of Users
Banking and Finance	14.1	3,791
Retail and Wholesale	19.4	5,216
Food and Hotel Services	7.4	1,989
Health Service (not public)	6.2	1,677
Utilities and Transportation	2.1	565
Other Corporate	19.7	5,197
Government	23.4	6,291
Not Classified	7.7	2,070
TOTAL	100	26,866*

[12] "Child Care and Equal Opportunity," op. cit, p.11.

[13] County Business Patterns, 1981.

[14] "What's It Like to Work in New York City?" Open Doors, sponsored by the Economic Development Council of New York City, Fall, 1978, p.102.

[15] Information provided by the New York City Convention and Visitor's Bureau.

[16] Employer Personnel Practices and Child Care Arrangements of Working Mothers in New York City, Women's Bureau, Employment Standards Administration, U.S. Department of Labor. This report was prepared by Peat, Marwick, Mitchell & Co. for the Day Care Council of New York, Inc., under contract No. L-71-104 with the Department of Labor, 1973.

[17] Industrial Wage Survey Nursing and Personal Care Facilities, May, 1981, U.S. Department of Labor, Bureau of Labor Statistics Bulletin #2142, December, 1982.

[18] Ibid., p.13.

[19] Projected Annual Job Openings by Occupation and Vocational Education Region, New York State, 1974-1985, BLMI Report, FY 1981 - No. 86, New York State Department of Labor, Division of Research and Statistics, Two World Trade Center, New York, New York 10047.

20 Phone interview with New York Telephone Company Employee Assistance Program.

21 Stetson, "New York City Vulnerable Economy Picks Up," New York Times, op. cit.

22 Statistics given in a speech by Grace Volkhausen, at the United Nations, International Women's Day Program, March 8, 1983.

23 Nancy Gross, Child Care Systems of Cambridge, Massachusetts - from a needs assessment.

24 "Day Care Finds a Home on Campus," New York Times Education Winter Survey, Section 12, January 9, 1983, p.14.

25 "What's it Like to Work in New York City," op. cit, p.168.

26 Available from AFSCME Research Department, 1625 L Street, N.W., Washington, D.C. 20036.

CHAPTER 4: CONCLUSIONS AND RECOMMENDATIONS

The majority of the companies interviewed as part of this study said that they are, in fact, experiencing the effects of a changing workforce -- more employees are part of two-wage earner families or are single parents; employees want more say in the nature of their jobs and benefits; companies are currently having difficulty attracting certain types of trained employees; and employers are increasingly aware that personal problems affect job performance. These conditions have aroused corporate interest in the possibility of providing child care services and have led vice-presidents for human resources and personnel managers of New York City businesses to read articles, attend conferences, and contact benefits consultants to investigate the mechanics of providing child care services. Over 67% of those interviewed say that they expect child care to become an increasingly important topic within their company in the next five years.

However, on the whole, companies are cautious about proceeding and are waiting to see what the other companies in their field do. There is generally a low level of awareness on the part of employers about the seriousness of the problems workers face in finding and affording good child care, about the range of options available to them to address the problems and about the effects on business of letting the problems go unattended.

For instance, if banks, insurance companies and securities firms become more aware that new parents are experiencing difficulty in locating and affording infant care and that this is preventing employees from returning to work after their children are born, they say they will begin to develop appropriate responses to assist those workers. If large and medium-size businesses hear from their employees that finding adequate child care in New York City is as difficult as paying

for it, they might help support metropolitan-wide information and referral services available to employees at all income levels. Or, if companies begin to look at how many of their entry-level and experienced employees rely on publicly-subsidized child care -- and how many could benefit from it if more funding and facilities were available -- business leaders might be willing to join those pressing for more federal, state and local funding for child care services and for increased personal income tax deductions.[1]

It is also a conclusion of the study that child care is not a simple problem for business to address:

* Even when a company is aware of employee difficulties, it is not always clear what it should do that is appropriate in terms of employees' needs and equity for all employees;

* As an issue, child care has to overcome many overt and covert barriers on the part of both employers and employees before it becomes an area of corporate action;

* It is not easy to separate child care problems from other employee difficulties and research has not convincingly documented a clear-cut impact on productivity or job turnover from provision of a child care benefit or service;

* Parents make the decisions about how their children are cared for, and since parents have a range of preferences and considerations a company must provide a range of services within its program;

* A child care program must fit the corporation's own needs, financial situation and corporate personality;

* Employees' child care arrangements are tied to the existing systems that provide, regulate and subsidize child care -- public and private, neighborhood and center-based -- so employer actions must also be taken in consideration of these larger, societal systems.

In this mixed context of barriers and incentives, this study reaches the following ten conclusions and makes thirteen

accompanying recommendations to encourage more experimentation and information-sharing in the area of corporate assistance to working parents in New York City.

1. **CONCLUSION.** New York City employers are only beginning to consider the ways that it may be in their interest to support the child care ne[illegible] of their working parents.

The next two to five years will be characterized by the development of models and the sharing of information about the value of employer assistance to working families in the city context. Hospitals will continue to develop on- or near-site child care alternatives, as well as to experiment with rearranged schedules; the major information and service industries -- banking, insurance and securities -- are most likely to experiment with voucher or flexible benefit programs; and public and private agencies are likely to develop experimental or pilot mechanisms that facilitate corporate provision of child care assistance. Unions are paying more attention to this issue and are likely to develop pilot programs for their members. Throughout this period there will be a continuing and growing need for the exchange of information and experiences both within and across industries.

RECOMMENDATION: BUSINESS COMMITTEE ON CHILD CARE

Business leaders could establish a Business Committee on Child Care to bring increased corporate attention to the benefits of providing child care assistance, to provide a forum for communication among employers about the mechanics of providing such assistance, to ease communication between employers and the child care community and to help the business community keep informed of legislative measures that it might want to support, or oppose, in light of its needs and interests. This committee would appropriately be organized by

the New York Chamber of Commerce which could also arrange for staffing for the committee.

RECOMMENDATION: INDUSTRY-BASED CHILD CARE INVESTIGATIONS

The trade associations of different industries and the city's economic development associations could also begin to investigate the needs of their member organizations for assistance in understanding and addressing the issue of child care for employees in their industry or geographic area. These groups also could have representatives on the Business Committee on Child Care mentioned above and could hold seminars or conduct surveys to provide members with additional information pertinent to their need for models and mechanisms.

Further consideration could be given to child care within the context of economic development and job training programs now being undertaken.

2. CONCLUSION. Employers report that one of the major reasons for not proceeding more quickly is that they are not hearing from employees that child care is a problem they want the company to address.

RECOMMENDATION: ASSESSMENT OF EMPLOYEE NEEDS

Groups of employees need to meet to discuss the issue of child care, determine how important they believe it to be and discuss the pros and cons from their perspective of the alternative approaches the company might take. These focus groups or committees could then work with management to fashion suitable responses.

The personnel or human resource departments of companies might initiate seminars or group discussions as a way of documenting the strength of the need among their employees.

There is good evidence to show that employees are more likely to be candid in such a group setting. A variety of consulting groups is available to help a company organize one or a series of such meetings.

3. CONCLUSION. New York City businesses favor moving carefully and incrementally to be sure their initiatives will have the desired effect. Many report that they do not know how many of their employees have children or what their specific child care problems might be.

RECOMMENDATION: METROPOLITAN-WIDE INFORMATION AND REFERRAL SERVICES

As a first step, companies and unions are urged to support the development and operation of a centralized, computerized information and referral service (I&R) accessible to employees at all professional and income levels throughout the tri-state region.

Information and Referral Services are a form of direct assistance to parents and also a way to document the specific needs of employees in a particular company, thus helping employers plan for future services on the basis of a clear understanding of their employees' problems and difficulties.

To provide these services, New York City needs a well-designed child care information and referral service with the following elements:

* A centralized, computerized data base listing all of New York City's public and private child-care services -- full-day, half-day, infant and after-school programs;

* A mechanism to allow for access to this data base by counselors in public child care agencies, community-based organizations and private companies;

* Links to data bases in New Jersey, Connecticut and the rest of New York State;

* The capability to provide up-to-date information on those centers or programs where space would be available for children; and

* Services available at times that do not interfere with parents' work.

Although New York City does not presently have a computerized data base on child care programs and services, there are several existing child care information and referral services that would logically form the nucleus of a more advanced system:

- The Agency for Child Development (ACD) supplies free information on public and private child care programs in New York City, gives advice about eligibility for publicly-subsidized child care and refers qualified parents to their local Resource Area Eligibility Office;

- PAWS (The Pre-School Association of the West Side) is a community-based group that maintains a file on all part-day and full-day child care programs in New York City. Through directories and personal consultation, PAWS gives parents from all areas advice on locating and selecting family day care in neighborhoods and provides guidance in locating in-home day care. It also provides information on finding day care and other support services for handicapped children and can help parents having trouble registering their children in public programs.

- The Community Child Care Exchange serves the Lower Eas' side of Manhattan, provides information on neighborhood child care arrangements and also runs a counseling center for mothers.

- The Greater New York Fund/United Way, the New York City Human Resources Administration and the Community Council of Greater New York are cooperatively developing a computerized listing of all of New York City's health and human service programs, including child care programs. Late in 1983 these agencies will jointly publish The Sourcebook: Social and Health Services for New Yorkers, which will make the information in the data bank available to a general audience.

- Westchester, Nassau, Suffolk and several New Jersey counties each have information and referral networks that could be coordinated with a New York City system.

The process of developing the city I&R services from where they are now to the improved, more comprehensive system described above will require an incremental approach to:

1) establish the design and standards of a computerized data base system in consultation with the existing public and private agencies and the other regional systems;

2) create the initial data base; and

3) increase the funding available to the agencies that provide more personalized counseling services.

This study recommends that the appropriate public and private agencies cooperate in developing the centralized data base and in designing a system which provides access to various users -- public, private, and business. Each of these groups has its own constituency and may have additional, internal needs that will require it to supplement the basic system with its own modification; however, in the interest of cost effectiveness and comprehensive service to parents, New York City should have only one, centralized data base with easy access by a range of public and private organizations.

RECOMMENDATION: STATE-WIDE INFORMATION AND REFERRAL DISTRICTS

In the interest of coordinated services throughout the tri-state region, business and the child care community should support the establishment of Regional Information and Referral Districts for New York State. These districts should be established in consultation with existing I&R service providers and the state should allocate funding for these districts to inaugurate or improve their service. The I&R districts should

be set up using the systems operating in California and Massachusetts as models.[2] Federal legislation is now pending that would provide start-up funding for expanded child care I&R systems; a similar state supplement would create additional incentive to support the I&R districts.

5. CONCLUSION. Many employers say that they are most likely to offer a child care benefit when it can be combined with other optional benefits for non-parent employees to eliminate problems of inequity and to respond to employees' requests for other benefits like vision care, dental care, legal assistance and education reimbursement in a way that is cost and tax efficient.

RECOMMENDATION: <u>FLEXIBLE BENEFIT PLANS</u>.

Employers and unions should begin planning now to include a child care option within any future flexible benefit program. This planning might include speaking with employees and employee groups about child care needs and preferences and preferred mechanisms for payment.

Corporations could also help foster more communication between their benefits consultants and the public and private organizations that now design and manage the city's day care systems. These organizations include, but are not limited to:

* The city Agency for Child Development;
* Non-profit, community-based organizations that provide advice and consultation to business -- Catalyst, PAWS, and the Day Care Council among others;
* Individual non-profit day care centers or the organizations that operate these centers;
* Private consultants in child care;
* Profit-making child care providers.

6. CONCLUSION. There is evidence that some employers considering a child care benefit would prefer to offer parents a subsidy that is paid directly to child care centers rather than to employees. These companies want to know that the funds they are providing actually support quality child care but they do not want to develop their own administrative system to track each employee's arrangements.

RECOMMENDATION: A DAY CARE FUNDING MECHANISM

New York City employers need access to a comprehensive funding mechanism that distributes child care payments from the company to each of the different licensed child care providers their employees use throughout the city -- and in the tri-state region. This funding mechanism would remove the administrative burdens and costs from the employer by making it possible for the company to make one payment to the broker to cover all employees' subsidies. It would be less expensive since the company would have less direct management responsibility. Also, it would remove legal liability from the company since it would be the responsibility of the mechanism to assure program quality and handle problems.

A good intermediary payment mechanism for New York City would have these features:

* Flexibility to handle different amounts of subsidy and different payment systems to suit different companies;

* Participation by all of the licensed child care providers and other responsible service delivery networks -- publicly-subsidized and private;

* A payment and billing system designed by a broad spectrum of interests including business, labor, benefits experts, child care providers, parents and government;

* The possibility of making scholarships available to low-income employees from a general fund of employer and union contributions.

Both PAWS and the Agency for Child Development have begun to design such mechanisms in order to help manage employer contributions to child care. They have also begun to speak to benefits managers who would design child care payment mechanisms as part of the company's total benefits program.

We found evidence that a comprehensive funding mechanism has potential interest for many employers in the city; however, the decision to initiate a child care subsidy is tied to so many other factors -- like employee demand and economic conditions -- that employers are likely to proceed slowly. Therefore, one mechanism -- linked to the Information and Referral System and with both public and private participation -- would be most convenient and attractive to employers and able to sustain itself during the long marketing period needed to develop corporate users.

7. CONCLUSION. The Foundation Center indicates that few corporations have used corporate philanthrophy to support child care services.[3] Many corporations state that they think child care is a very important need of their employees, but they are not yet ready to redesign their benefit programs to incorporate flexible benefits or provide a child care subsidy. Since companies often state that their corporate giving policies are designed to promote the company's self-interest, it is surprising that employers are not making a connection between child care services in the community that could use philanthrophic support, and the needs of their own employees for these services.

RECOMMENDATION: INCREASED CORPORATE CONTRIBUTIONS

Corporations are encouraged to use more of their corporate foundation funds and their grant-making capacity to give tax-free contributions to non-profit day care centers and the non-profit agencies that work with them:

* Companies could provide funds for scholarships at non-profit care centers or to the Day Care Fund in order to assist low and middle income parents in paying the costs of child care.

* Companies could initiate programs to make yearly grants to non-profit day care centers, giving special preference to those centers used by employees. Grants could either be for general support or for special purposes. For example, Bellevue Hospital provided the Bellevue Day Care Center with a photocopy machine that made communication with staff and parents much easier and more efficient. The Center could never have afforded to buy the machine themselves.

Corporate child care grant programs should have clear guidelines and applications procedures to minimize the time and expertise required for small day care operations to apply or the corporation could provide a volunteer to help the child care center prepare its applications.

* In order to comply with health code regulations, many suitable places for child care centers require renovations. These costs, which can range from $10,000 to $250,000, could be provided by employers to non-profit centers as a tax-deductible contribution.

* A Revolving Loan Fund could be established by corporations or unions to help non-profit organizations start new child care centers or to renovate existing space to bring it into compliance with licensing standards. State funds could be allocated to supplement business or union contributions.

* Corporations could help their employees form their own contributions fund, similar to the Rockwell International Donate Once Club, which is established with employee contributions, administered by an employee committee, and makes small grants to non-profit community groups which are recommended by employees.[3] These clubs could then make grants to non-profit day care centers or provide services to groups of centers that employees actually use or want supported. Employee contributions could be matched by corporate contributions.

* Employers could create a placement service for their employees who wish to serve on child care center boards and provide them with training in how to be an effective board member.

8. CONCLUSION. All indications are that child care is an issue that will increase rather than decrease as a subject for corporate attention.

RECOMMENDATION: POLICY REVIEW

Given this reality, employers will want to continue to review company policies that are important to working parents. Rigid company policies regarding lateness and leave policies may work against the company's best interests in the long run by driving employees with children to other companies, thus increasing job turnover.

Companies could begin now to review their policies that affect working parents, especially those regarding use of parental sick leave for children, child care difficulties as a legitimate use of personal leave days, better maternity/paternity leave policies, flexitime, restructured hours, permanent part-time work and work at home for some categories of

employees. The company might reconsider these policies on the basis of meetings or seminars in which employees are urged to make suggestions about the changes that are most important to them.

9. CONCLUSION. Most companies do not want to start their own on-site centers, yet a few report that their employees are asking for child care centers located near their work with affordable services, especially for infant care where there is currently a shortage of available services.

RECOMMENDATION: LEADERSHIP/DEMONSTRATION PROJECTS.

A group of companies or a union in one geographic area could create a demonstration cooperative child care services program, perhaps utilizing space in a church or non-profit organization's building. Such a project has never been put into operation in New York City and a demonstration is long overdue. The corporations could establish a board that would form a non-profit corporation to manage the center, provide grants to help purchase and renovate space, establish a scholarship fund to reduce costs for lower income employees and provide materials and in-kind assistance like management training, legal assistance and business services. There would be high public relation value to such a cooperative effort -- both locally and nationwide.

Because the companies would be using grant funds, there should not be so much concern about employees who don't wish to use the center. If there is, each company could also initiate one of the other programs, like providing Information and Referral Services or a child care optional benefit for other parents.

In addition to taking the lead in developing this cooperative to provide child care assistance near worksites,

business could also help institute more after-school programs in the under-utilized classroom space of neighborhood schools. These initiatives should be developed with community groups, the school boards, possibly the unions, and the City Agency for Child Development.

RECOMMENDATION: STATE NEIGHBORHOOD ASSISTANCE PROGRAM

New York State could facilitate demonstration projects and experimentation in on-site employer-assisted child care by developing a neighborhood assistance program offering a 50% tax credit to companies that provide aid to child care programs operating in low income areas or serving low income working families, using the Pennsylvania and Florida NAP programs as models (see Friedman, Government Initiatives, pp. 40-50). In these programs, certain geographic areas are designated in which employers who support community projects receive a 50% tax credit on their investments. The types of NAP projects eligible for funding usually include job training, education, crime prevention, neighborhood revitalization and community services, which include child care. One company in Pennsylvania, Red Rope Industries, has used the Pennsylvania NAP to build a child care center for employees and the community. They received a 50% tax credit against their state corporate tax liability on a $112,000 investment in a child care center. This credit is more likely to be attractive to employers than the bills currently pending in the New York State legislature because the amount of the credit is larger; the trade-off for the state is that the NAP is targeted to low income areas and can be used to cover a range of programs for those least able to afford child care in other settings.

10. CONCLUSION. Family-based day care is now, and will most likely continue to be, the cornerstone of child care options for children under three in New York City. As more and more parents of children in this age group enter the workforce, the more it becomes imperative to know more about who provides this service and how qualified they are.

Although the New York City Health Department is mandated to license family day care providers, they do not have the staff available to license and monitor family day care programs other than those operated through the Agency for Child Development. This means the vast majority of family day care homes are not licensed or monorited.

Yet, because there has not been a large city government presence in family day care, some effective forms of community monitoring have been developed. Community agencies like the YMHA and Sage Gardens Future Nuture have developed their own Family Day Care Networks which identify family day care providers in a particular neighborhood, provide training to them in business management and child development, help inspect and certify the homes, assist the providers in making needed improvements in facilities and help make connections with the parents who need their services. This kind of network operates best on a local basis.

RECOMMENDATION: <u>FUNDING FOR FAMILY DAY CARE SUPPORT SERVICES</u>.

Most corporations are not likely to want to run or monitor their own family day care networks, but they could provide more financial assistance to those non-profit agencies that do provide these services for family day care. These networks can then be made a part of the Metropolitan Information and Referral Service, making it easier for parents to locate reliable family day care in their neighborhood and giving the system more information about family day care providers. This

also reinforces the skills of family day care providers, increases their reliability, and legitimitizes their role as small entrepreneurs. This is also a good model for medium-size and non-profit companies to consider.

11. CONCLUSION. On the strength of the current interest and rate of activity found in this study, and considering the kinds of companies that are most likely to take the lead in providing child care programs, there is little reason to believe that employer initiatives will replace, or even significantly supplement, the continuing need for publicly-subsidized child care for low-income parents in the next five years.

RECOMMENDATION: <u>INFLUENCING CITY, STATE AND NATIONAL POLICY.</u>

It is critical that the business community play a role in impressing on federal, state and city government that it is in businesses' best interest for government to continue and expand subsidized child care services for low-income working parents and to encourage programs and policies that support increased child care services. The role of business in providing child care assistance will continue to expand, but public and private complementarity is essential if New York City is to have a child care system that equitably addresses the child care needs of all working parents.

Footnotes

[1] Pending federal, state and city legislation regarding child care:

FEDERAL

S.4 Introduced by Senators Cranston and Riegle. Would establish a comprehensive child care program through state grants. This is the only comprehensive child care bill intorduced in the Senate since 1979. "The Child Care Act" (H.R. 1741 - Roybal)

S.888 The Economic Equity Act introduced by Durenberger, Hatfield and Packwood and a dozen or so other Senators. Contains two provisions relating to child care -- one section improves and expands the child care tax credit; the other establishes a small grant program to support information and referral programs. (H.R. 1991 - Coriable; H.R 2090 - Schroeder; and H. 2903 - Mikulski)

S.241 Introduced by Senator Hawkins. Encourages the establishment of day care programs in hospitals.

S.572 Introduced by Dodd, Cranston, Kennedy, Tsongas and Riegle. Contains authorization for additional funds for child care food program, child care under Title XX, and provisions making the child care tax credit refundable - "Children's Survival Bill." H.R. 1603 - Ferraro.

H.2242 Introduced by Mikulski. Establishes money to fund community-based clearinghouses matching families needing child care with available space.

NEW YORK STATE

A.99/S.834 Introduced by Representative Mae Newburger. Would provide a 30 percent one-time tax credit to an employer who establishes an on-site or near-site child care center primarily for the children of employees.

A.813/S.728 Introduced by Senator Mary Goodhue. Designed to assist those employees who prefer to place their children in existing community child care centers; provides a tax credit for 10 percent of the expenditures paid or incurred by an employer for day care services to children.

NEW YORK CITY

#508 Introduced by Councilman Michaels. Would provide city tax incentives for corporate day care programs.

[2] See Friedman, Government Initiatives, pp. 60-62:

"Only the state of California has made a serious commitment to child care resources and referral as part of its Alternative Child Care Program. Since 1976, the number of R&R agencies has grown from 15 to 55 and the state's level of funding has increased from $900,000 to $5 million...

The Massachusetts Department of Social Services contracts directly with the Child Care Resource Center of Cambridge for I&R Services...As part of a four-site pilot project, the Child Care Resource Center received nearly one million dollars to provide vouchers to eligible parents looking for child care."

[3] Foundation Grant Index, 11th Edition, The Foundation Center, 888 7th Avenue, New York, New York 10106, 1982.

This directory lists 9 corporate and family foundations that made 12 grants totaling $560,500 for child care centers and services in the 1980-81 period (one grant was for $350,000 and the others ranged from $5,000 - $50,000).

[4] DO Club, organized by employees of Rockwell International, Energy Systems Group, Rocky Flats Plant, Box 464, Golden, Colorado 80402.

Through employee contributions, the Donate Once (DO) Club allocates money to the communities in which employees live and raise families. In fiscal year 1980, employees contributed over $60,000 to community service organizations in 8 counties and to the United Way.

The DO Club also has a mechanism to provide support directly to Rocky Flats employees in need of help.

Additional References

The following reports have been published within the past year and add substantially to the findings of this study. They provide additional information about child care programs and policy in New York City, New York State and nationally.

1. Encouraging Employer Support to Working Parents: Community Strategies for Change, a Report of the Working Parents Project by Dana E. Friedman for Carnegie Corporation of New York, 1982. Available from the Center for Public Advocacy Research. $9.00

   Examines the nature and extent of existing employer responses to the needs of working parents in four major cities -- Minneapolis, Boston, Houston and San Francisco -- and describes the strategies that seem to be effective in facilitating employer support.

   Contains an extensive bibliography on employers, employees and child care.

2. Government Initiatives to Encourage Employer-Supported Child Care: The State and Local Perspective, a Report of the Employer-Supported Child Care Project of the Center for Public Advocacy Research, by Dana E. Friedman. $10.00

   Compares the strategies city and state governments have used to encourage corporate interest in child care, ranging from acting as a role model by developing their own child care programs, to providing tax incentives.

   Also includes a detailed bibliography.

3. The Day Care Fund: Facilitating Employer Support for Child Care, by Dana E. Friedman with Nancy S. Kolben, Antony Ward and Annice M. Probst for Child Care, Inc. Available from Pre-School Association, 610 West 112th Street, New York, New York 10025. $6.00

   Proposes the design and development phase of a New York City Day Care Fund to facilitate employers' provision of child care subsidies to their employees.

4. Child Care Information Service, An Option for Employer Support of Child Care, a position paper from Catalyst's Corporate Child Care Resource, available for $6.00 from Catalyst, 14 East 60th Street, New York, New York 10022.

   This paper explores child care information services as an important, highly adaptable, cost-effective option for addressing employees' child care needs.

   Summary available for $3.00.

Appendix A

EXPLORING CORPORATE INITIATIVES FOR WORKING PARENTS IN NEW YORK CITY

Corporations Interviewed

1. Allied Maintenance Corporation
2. American Banknote
3. American Broadcasting Companies
4. American District Telegraph
5. American Savings & Loan
6. Bayley Seton Hospital
7. Bache & Company
8. Bank of New York
9. Bankers Trust
10. BBDO, Inc.
11. Bellevue Hospital
12. Beth Israel Medical Center
13. Blue Cross & Blue Shield of Greater New York
14. Bowery Bank
15. Brooklyn Hospital
16. Brooklyn Polytechnic
17. Brooklyn Union Gas
18. Bulova Watch Co.
19. CBS
20. Celebrity Manufacturing Company
21. Central Federal Savings and Loan
22. Chase Manhattan Bank
23. Chemical Bank
24. Chock Full O'Nuts
25. Citibank
26. Consolidated Edison Company of New York, Inc.
27. D'Agostino Supermarkets
28. Di Fini Knitwear & Di Fini Originals
29. Diplomat Envelope
30. Equitable Life Assurance Society of the U.S.
31. EXXON
32. Farberware
33. Federal Reserve Bank of New York
34. First Women's Bank
35. Ford Foundation
36. Fraas Survival Systems
37. Gary Plastic Packaging Corp.
38. Goldman Sachs & Co.
39. W. R. Grace & Co.
40. Hewitt Associates

41. Home Insurance Company
42. Horn & Hardart Company
43. E. F. Hutton
44. International Telephone & Telegraph
45. Jacoby & Myers
46. Lincoln Hospital
47. Macy's New York
48. Manufacturer's Hanover Trust
49. May's
50. McGraw-Hill
51. Merrill Lynch Pierce Fenner & Smith
52. Metropolitan Life Insurance Company
53. Montefiore Hospital
54. Mobil Corporation
55. Monarch Wine Company
56. Morgan Guaranty
57. National Broadcasting Company
58. New York Air
59. New York Life Insurance Company
60. New York Telephone Company
61. New York University
62. Newsweek
63. Pasta & Cheese
64. Presbyterian Hospital
65. Queens College
66. Restaurant Associates Industries
67. Rowland Company
68. Selfhelp Community Services
69. Shearson American Express
70. Supreme Equipment and Systems Corp.
71. Swingline
72. J. Walter Thompson
73. Time, Inc.
74. United Nations
75. Veterans Administration Medical Center
76. Warner Communications
77. Westinghouse Electric Co.
78. WNET Channel 13
79. Yankelovich Skelly & White
80. Young and Rubicam

Unions Interviewed

1. Amalgamated Clothing and Textile Workers Union
2. International Ladies Garment Workers Union - Local 23-25
3. American Federation of City, State and Municipal Employees - District Council 37
4. New York State Registered Nurses Association (not a union but a recognized bargaining unit)
5. Retail, Wholesale and Department Store Employees Union

Appendix B
Project Description

EXPLORING CORPORATE INITIATIVES
FOR WORKING PARENTS IN NEW YORK CITY

Changing American values and lifestyles are reshaping the traditional boundaries between workplace and home. Alternative employee benefits programs, such as flexitime, job-sharing, child care, counseling and recreation, are increasingly attractive to employers seeking to help employees find a satisfactory balance between work and family life and, in so doing, to enhance corporate efforts to recruit and retain valuable workers, reduce turnover and absenteeism, increase productivity and improve worker morale.

Three major changes are affecting both workplace and home-front and increasing the need for family support services: the virtual disappearance of the extended family unit; the enormous increase in number of single-parent households; and the growing percentage of women -- including wives and mothers -- in the workforce. If these trends continue as predicted, by 1990, two-thirds of all mothers and more than one-half of all mothers with children under six will be working outside their homes. Today, the "typical" American family is one in which no adult member is home from nine to five.

EXPLORING CORPORATE INITIATIVES FOR WORKING PARENTS IN NEW YORK CITY is a current study of how corporations and major employers in the city view these changes and are responding to requests from employees for family support programs.

Conducted by the Center for Public Advocacy Research, a nonprofit professional research organization, and funded by the New York Community Trust, the study will interview senior officials in 100 corporations to find out current business interest in programs and policies beneficial to working parents, the various initiatives already developed here, and the barriers to implementing new programs.

Particularly, the study will explore various corporate intitatives which might help working parents to cope with the demands of family life. The range of responses to family concern includes provision of child care subsidies and services (day care centers, family day care homes, after-school and sick-child care programs, information and referral), alternative work schedules, flexiplace arrangements, maternity/paternity leave and flexible or cafeteria-style benefits.

A report, to be published at the end of 1982, will be distributed to selected corporations and members of the Chamber of Commerce, labor unions, government officials, and the child care community in order to help social planners and funders in analyzing and shaping the child care system in New York City.

For further information, contact Kristin Anderson, Project Director, (212) 564-9220.

Appendix C

QUESTIONS - EXPLORING CORPORATE INITIATIVES FOR WORKING PARENTS IN NEW YORK CITY

I. Background

1. Please give me a general description of your workforce in New York City. How many employees? How many men/women? How many professional/support?

2. What is the corporation's general management style, or personality? How is it known in the industry?

3. What is your own history with the company?

II. Human Resource Issues

1. What are the most significant human resource problems facing your company? Causes?

2. What initiatives has the company taken to solve/deal with them? What additional initiatives might be taken in the future?

3. Do you have any problems that you consider family related?

4. How does the company decide what benefits are offered or whether or not to change benefits?

5. Has there been any discussion of changes in personnel policies or benefits that would be considered in the category of "policies that assist working families?" (Policies such as flexitime, child care subsidies, paternity leaves, cafeteria benefits?)

6. With whom did these suggestions originate and where do they stand now?

7. How and under what circumstances do you think such policies or benefits might be considered?

8. What reasons and arguments, pro or con, would be raised by the senior management?

9. Do you believe family issues have a significant impact on employee productivity?

10. What returns would the corporation expect from changes in benefits or policies that assist working families?

III. Employee Relations

1. What mechanisms exist for employee feedback?

2. Do you have an employee services program?

3. How do you keep informed of what other employers are doing in benefits and employee services?

4. Would you do an employee survey?

5. If you were investigating flexible benefits or other child care options, would you hire a consultant or use inside expertise in studying what to do?

6. If there were a plan whereby the city would pay a portion of employees child care costs, on a sliding income scale, would the corporation be more likely to initiate a program?

7. Are tax credits or income reduction plans a strong incentive?

8. What unions represent your employees?

9. Has child or dependent care ever been an item of negotiation?

10. Has there ever been any expressed employee interest in child care or dependent care assistance, flexitime, or other benefits in support of the working family?

IV. Future

1. What do you think is the future of this corporation's interest in addressing family concerns?

2. How do you project the corporations' peoplepower needs changing in the next 5 years? Do you expect heavy competition for good employees? In which areas?

3. Where would you place family concerns in relation to the other social and economic demands on the firm?